EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

Please provide the following information (please replicate as needed):

Name of Transacting Parties: Yale-New Haven Health Services Corporation, Lawrence + Memorial Corporation, and LMW Healthcare, Inc. d/b/a Westerly Hospital
Date Application Submitted: Initially submitted on November 9, 2015; Re-submitted on January 29, 2016; Re-submitted on April 11, 2016
Date of Agreement Execution with the Director for Payment of Costs*: November 9, 2015

* Please provide copies of the responsive documents.

CERTIFICATION

Please provide the attestation/verification for each of the Transacting Parties and licensed hospital affiliates. (Please replicate as needed):

I hereby certify that the information contained in this application is complete, accurate and true.

Mary P. Bor

Signed by the President or Chief Executive Officer

Yale-New Haven Health Services Corporation
Entity

Subscribed and sworn to before me on this 7th day of April, 2016.

Lynne LaCick

Notary Public
My Commission Expires 7/31/2016

CERTIFICATION

I hereby certify that the information contained in this application is complete, accurate and true.

Signed by the President or Chief Executive Officer

Lawrence + Memorial Corporation
Entity

Subscribed and sworn to before me on this 11th day of April, 2016.

WALTER JANULEWICZ
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
July 20, 2018

Notary Public
My Commission Expires July 20 2018

CERTIFICATION

I hereby certify that the information contained in this application is complete, accurate and true.

Signed by the President or Chief Executive Officer

LMW Healthcare, Inc. d/b/a Westerly Hospital
Entity

Subscribed and sworn to before me on this 11th day of April, 2016.

WALTER JANULEWICZ
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
July 20, 2018

Notary Public
My Commission Expires July 20 2018

TABLE OF CONTENTS

Question Number/Appendix	Bates Number
1.	1-1 through 1-4
2.	2-1
3.	3-1
4.	4-1
5.	5-1
6.	6-1 through 6-6
7.	7-1 through 7-2
8.	8-1 through 8-3
9.	9-1
10.	10-1 through 10-2
11.	11-1
12.	12-1 through 12-3
13.	13-1
14.	14-1
15.	15-1
16.	16-1
17.	17-1
18.	18-1
19.	19-1
20.	20-1
21.	21-1 through 21-4
22.	22-1
23.	23-1 through 23-4
24.	24-1
25.	25-1
26.	26-1
27.	27-1
APPENDIX A	A-1 through A-4
APPENDIX B	B-1
APPENDIX C	C-1
APPENDIX D	D-1 through D-2

INFORMATION OF TRANSACTING PARTIES AND AFFILIATED HOSPITALS

A. Contact information of President or CEO of each Transacting Party (Please replicate as needed):

Name: Marna P. Borgstrom	Telephone: 203-688-2608	
Address: 789 Howard Avenue, New Haven	State: Connecticut	Zip: 06519
E-mail: Marna.Borgstrom@ynhh.org	Fax: Not applicable	

Name: Bruce D. Cummings	Telephone: 860-442-0711 ext. 2221	
Address: 365 Montauk Avenue, New London	State: Connecticut	Zip: 06320
E-mail: BCummings@lmhosp.org	Fax: Not applicable	

B. Name, title, address, phone, fax and e-mail of one contact person for each Transacting Party for this application process (only if different from the President/CEO in Question 2) (Please replicate as needed):

Name: Stephen D. Zubiago	Telephone: 401-454-1017	
Address: One Citizens Plaza, Suite 500 Providence	State: Rhode Island	Zip: 02903
E-mail: SZubiago@nixonpeabody.com	Fax: 866-947-1432	

C. For each existing affiliate hospital of the Transacting Parties, please provide the following information (Please replicate as needed):

Name: Yale-New Haven Hospital, Inc.	License #: 0044	
Address: 20 York Street, New Haven	State: Connecticut	Zip: 06510
Telephone: 203-688-4242		
E-Mail of President or CEO: marna.borgstrom@ynhh.org		
Relationship of Hospital to Transacting Party: Yale-New Haven Hospital, Inc. is a direct subsidiary of Yale-New Haven Health Services Corporation.		

Name: Bridgeport Hospital	License #: 0044	
Address: 267 Grant Street, Bridgeport	State: Connecticut	Zip: 06610
Telephone: 203-384-3000		
E-Mail of President or CEO: William.Jennings@bpthosp.org		
Relationship of Hospital to Transacting Party: Bridgeport Hospital is a direct subsidiary of Yale-New Haven Health Services Corporation		

Name: Greenwich Hospital	License #: 0045	
Address: 5 Perryridge Road, Greenwich	State: Connecticut	Zip: 06830
Telephone: 203-863-3000		
E-Mail of President or CEO: Norman.Roth@greenwichhospital.org		
Relationship of Hospital to Transacting Party: Greenwich Hospital is a direct subsidiary of Greenwich Health Care Service, Inc., which in turn is a direct subsidiary of Yale-New Haven Health Services Corporation.		

Name: Lawrence + Memorial Hospital	License #: 0047	
Address: 365 Montauk Avenue, New London	State: Connecticut	Zip: 06320
Telephone: 860-442-0711		
E-Mail of President or CEO: BCummings@lmhosp.org		
Relationship of Hospital to Transacting Party: Lawrence + Memorial Hospital is a direct subsidiary of L + M Corporation		

Name: LMW Healthcare, Inc. d/b/a Westerly Hospital	License #: HOS00112	
Address: 25 Wells Street, Westerly	State: Rhode Island	Zip: 02891
Telephone: 401-596-6000		
E-Mail of President or CEO: BCummings@lmhosp.org		
Relationship of Hospital to Transacting Party: Westerly Hospital is a direct subsidiary of L + M Corporation		

INITIAL APPLICATION QUESTIONS

1. Please provide a detailed summary of the proposed conversion which shall include a discussion of the date of implementation, purchase price, source of funds, debt, and commitments for and development of new services and/or facilities that are associated with the proposed conversion.

Response:

Overview

Yale-New Haven Health Services Corporation ("YNHHSC") proposes to become the sole corporate member of Lawrence + Memorial Corporation ("L+M"), which is the sole corporate member of LMW Healthcare, Inc., d/b/a Westerly Hospital ("Westerly Hospital"), through an Affiliation Agreement dated July 17, 2015 (the "Transaction"). The parties do not anticipate that the Transaction will result in any changes to the high quality services or delivery of care currently provided at Westerly Hospital. Following the closing of the Transaction, L+M and Westerly Hospital will continue to comply with all commitments and conditions of approval set forth in the hospital conversion act application approvals dated April 16, 2013 (Rhode Island Department of Health) and April 17, 2013 (Rhode Island Attorney General) obtained by L+M in connection with the acquisition of Westerly Hospital. A brief description of each of YNHHSC and L + M and their hospital affiliates is provided below.

Applicants

YNHHSC is a Connecticut non-stock, tax-exempt corporation that was organized in 1983 to provide support services to a nonprofit network of affiliated health care providers known, collectively, as the Yale New Haven Health System (the "System"). YNHHSC directs and implements certain programs and activities that assist its members in providing high quality, cost-effective health services for the benefit of the communities they serve. In addition, YNHHSC collaborates with Yale University to provide high quality, highly specialized health care services as well as initiate, develop, and maintain educational programs for health care professionals and the public.

Set forth below is a listing of the significant YNHHSC entities and organizations:

- Yale-New Haven Hospital, Inc. ("YNHH") is a 1,541 bed acute care destination hospital that provides complex care to residents of Connecticut and beyond. It is the primary teaching hospital for Yale University's Schools of Medicine and Nursing. YNHH has two main campuses located at 20 York Street and 1540 Chapel Street in New Haven. YNHH also includes the Yale-New Haven Children's Hospital, the Yale-New Haven Psychiatric Hospital and the Smilow Cancer Hospital. YNHH offers several outpatient centers in New Haven, North Haven, and Guilford as well as dozens of radiology and blood-drawing centers throughout the state.

- Bridgeport Hospital ("BH") is a 383-bed licensed acute care hospital located in Bridgeport Connecticut. BH also offers a wide range of outpatient services for residents of the communities it serves.
- Greenwich Hospital ("GH") is a 206-bed licensed acute care hospital located in Greenwich Connecticut. GH also offers a wide range of outpatient services for residents of the communities it serves.
- Northeast Medical Group ("NEMG") is a system-wide multispecialty physician practice and medical foundation. The network consists of approximately 100 practice locations that extend from New Rochelle, New York to Gales Ferry, CT.

L+M is a Connecticut non-stock, tax-exempt corporation that is the sole member of subsidiaries that operate acute care hospitals and community based services throughout its service area in southeastern Connecticut and southern Rhode Island. L+M, through its subsidiaries, is committed to community leadership and service through community education, outreach, and disease prevention efforts.

Set forth below is a listing of the significant L+M entities and organizations:

- Lawrence + Memorial Hospital ("L+M Hospital") is a 280-bed licensed acute care community hospital located in New London, Connecticut. L+M Hospital's major clinical programs include oncology, heart and vascular care, including a primary and elective angioplasty program, maternity including a Level III Neonatal Intensive Care Unit, orthopedics, surgery, including two ambulatory surgery centers, and eight (8) outpatient facilities.
- Westerly Hospital is a 125-bed licensed community hospital located in Westerly, Rhode Island. Westerly Hospital offers major clinical programs in heart and vascular care as well as surgery.
- L&M Physician Association, Inc. ("L&MPA") is a medical foundation consisting of 71 physicians with 11 practice locations in Connecticut and Rhode Island.
- Visiting Nurse Association of Southeastern Connecticut ("VNASC") is a licensed and Medicare certified home health agency providing skilled nursing and therapy services in the home, a school health program and community wellness initiatives. During the past fiscal year, VNASC provided more than 140,000 visits to care for almost 3,400 patients living in the communities served.

Proposal

The proposed affiliation is the result of a long-standing collaborative and supportive working relationship between YNHHSC and L+M, shared values and a mutual desire to further each organization's mission in today's rapidly changing healthcare marketplace.

In early 2015, and at the urging of the L+M Board of Directors, L+M approached YNHHSC to begin discussions of a deeper, more robust affiliation. After several months of deliberate and focused discussions, YNHHSC and L+M agreed to the terms of an Affiliation Agreement which will permit YNHHSC to become the sole corporate member of

L+M. L+M will remain the parent company to Westerly Hospital and Lawrence + Memorial Hospital. This is similar to the relationship that currently exists between YNHHSC and YNHH, BH and GH. Lawrence +Memorial Hospital and Westerly Hospital will maintain separate hospital licenses and boards of directors. Organized medical staffs of both hospitals will remain in place with their own bylaws, rules, regulations, and elected officers.

The applicants believe that the proposed affiliation will provide significant benefits to Westerly Hospital's service area residents and to both organizations. L+M and YNHHSC will be better able to further their charitable missions in the changing health care marketplace. Both organizations' mission and values have a strong focus on service excellence, a commitment to serve uninsured and underinsured patients, and provide robust community benefit and uncompensated care.

L+M, specifically L+M Hospital and Westerly Hospital, as a cost-effective acute care provider, with a vibrant outpatient and primary care capacity, strong management, and a strong history as a high quality, high value, patient-centered provider will add to the strength of the System. L+M and YNHHSC seek an affiliation wherein one and one is more than two, or more specifically, wherein efficiencies are achieved, quality of care improved, collaboration encouraged, risk managed more effectively, and population health is a priority.

Date of Implementation
The Transacting Parties plan to consummate the transaction in the spring of 2016.

Purchase Price
Commencing with the closing of the proposed affiliation, YNHHSC has committed to deploy as much as $300 million in resources in the Eastern Connecticut and Western Rhode Island region over a period of five (5) years for the purpose of enhancing L+M's clinical and operational capabilities and services. Such expenditures must: (i) be consistent with YNHHSC's overall strategic plan; (ii) be consistent with the business plans of the Transacting Parties; (iii) have a positive return on investment; and (iv) be responsive to the needs of the applicable community. Essentially, should the proposal be approved, the Transacting Parties will engage in an ongoing and deliberate strategic planning process that will be focused upon enhancing the quality and breadth of clinical services that are mutually identified as needed by the L+M community serviced by Westerly Hospital and L+M Hospital.

Source of Funds and Debt

The proposed transaction does not involve the purchase and sale of assets and there is no specific purchase price to be paid at the closing. However, as explained in the "Purchase Price" section above and the Affiliation Agreement, YNHHSC will commit to deploy as much as $300 million in resources in YNHHSC's Eastern Connecticut and Western Rhode Island regions over a five (5) year period. Those funds will originate from both the operating funds and the generation of capital in the ordinary course of operations of the L+M-related entities over the five (5) year period following the closing of the proposed transaction as well as additional investments from YNHHSC. YNHHSC does not anticipate funding its commitments under the Affiliation Agreement with debt or other financing arrangements.

Commitments for and Development of New Services and/or Facilities
As set forth above, after the Closing, YNHHSC and L+M will develop and implement their strategic plans so as to maintain healthcare services facilities that support the evolving clinical service needs in the communities served by L+M and shall focus on the following:

(a) to work cooperatively to minimize travel for patients requiring healthcare services that can be appropriately provided by the L+M affiliates and to encourage the return of patients originating within the communities served by the L+M Affiliates back to the originating facility and its physicians for local and specialty care following treatment at any other Yale New Haven Health System facility;

(b) that Westerly Hospital shall continue to provide the services and commitments it is obligated to provide pursuant to section 2.11 of the Affiliation Agreement; and

(c) that the L+M Affiliates may maintain and preserve existing relationships with hospital-based physicians holding exclusive relationships with such L+M Affiliates, including, without limitation hospitalists, emergency physicians, pathologists, anesthesiologist, and radiologists.

2. Please provide each of the following applicable documents and amendments for each of the Transacting Parties and affiliated hospital(s):

(a) Charter;
(b) Certificate and Articles of Incorporation and By-laws;
(c) Certificate of Partnership and Partnership Agreement;
(d) Certificates or Articles of Organization and Operating Agreement;
(e) Other organizational documents

If any of the above documents are proposed to be revised or modified in any way as a result of the proposed conversion, include the proposed revisions or modifications.

Response: Attached hereto as Exhibit 2, please find documents responsive to this request. Note that Exhibit 2 includes the current and proposed post-closing versions of the documents set forth below for each entity. Exhibit 2 also includes redlined versions of the documents with proposed amendments resulting from the proposed transaction and a brief summary of certain of those changes.

1. **Yale-New Haven Health Services Corporation**: Amended and Restated Certificate of Incorporation; Amended and Restated Bylaws.
2. **Lawrence + Memorial Corporation**: Certificate of Incorporation; Amended and Restated Bylaws.
3. **Yale-New Haven Hospital, Inc.**: Certificate of Incorporation; Amended and Restated Bylaws.
4. **Bridgeport Hospital:** Certificate of Incorporation; Amended and Restated Bylaws.
5. **Greenwich Hospital:** Certificate of Incorporation; Amended and Restated Bylaws.
6. **Lawrence + Memorial Hospital, Inc.:** Certificate of Incorporation; Amended and Restated Bylaws.
7. **LMW Healthcare, Inc. d/b/a Westerly Hospital**: Articles of Incorporation; Amended and Restated Bylaws.

Please note: The Certificates of Incorporation and Bylaws for Yale-New Haven Hospital, Inc., Bridgeport Hospital, and Greenwich Hospital will not be amended as a result of the proposed transaction.

3. With regard to the officers, members of the boards of directors, trustees, executives, and senior managers of each of the Transacting Parties and their affiliates, please provide the following for the past 2 years: (a) name; (b) address; (c) phone number; (d) occupation; and (e) tenure.

Response: Attached hereto as Confidential Exhibit 3, please find the above-requested information pertaining to Yale-New Haven Health Services Corporation, Yale-New Haven Hospital, Inc., Bridgeport Hospital, Greenwich Hospital, Lawrence & Memorial Corporation, Lawrence + Memorial Hospital, Inc., and LMW Healthcare, Inc. d/b/a Westerly Hospital responsive to this request.

Note that since the original submission of this application, the following changes have occurred (as applicable, biographical data for new members is included in Confidential Exhibit 3):

YNHHSC: YNHH:
-Robert Haversat, Miles Lasater and Carlton Highsmith stepped down from YNHH
-One new YNHH trustee: Aaron Hollander
Greenwich Hospital:
-Don Kirk and Nancy Brown stepped down
Bridgeport Hospital:
-Emily Blair, M.D. and Russell Fuchs stepped down from the Board when their terms expired
-Steven Marshalko stepped down when his tenure as Medical Staff President ended in January 2016
Elected to the board:
-Eddy W Rodriguez,
-J. Eduard Castillo, M.D.
L+M
LM Corporation Board
-Dr. Gaudio joined (ex-officio)
-Fred Conti departed
-Preston Lamberton departed (ex-officio)
LM Hospital Board
-Dr. Donald Felitto departed (ex-officio)
-Dr. Joseph Cecere joined (ex-officio)
Westerly Hospital
No changes
The Confidential Exhibits provided in response to this question are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 3 is confidential because it is a business record that contains confidential non-public information whose disclosure could adversely affect the parties involved if disclosed to the public.

4. Provide the (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives and senior managers after the conversion of the Transacting Parties and their affiliates, identifying any additional members or removal of members.

Response: Board members and officers for each of L+M, L+M Hospital and Westerly Hospital in office at the time of the closing (See current information set forth in response to Question 3) of the transaction will remain in place post-closing for the remainder of their terms, and will be eligible for re-election in accordance with the bylaws of the respective entity. The only changes anticipated to the board of each of L + M, L+M Hospital and Westerly Hospital is the addition of a YNHHSC representative, although it is not known at this time who will serve in that capacity for YNHHSC. The parties do not anticipate any other changes as a result of the proposed transaction other than in the ordinary course pursuant to the Bylaws and expiration of terms. Additionally, following the closing, the Chair of the Board of L+ M Corporation will have a seat on the board of YNHHSC.

5. Please describe the governance structure of the new hospital after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.

Response:

As with the other affiliate hospitals in the YNHHSC system, a Board of Trustees with broad-based local community presence will be maintained at L+M Hospital and Westerly Hospital.

The governance structure of LMW Healthcare, Inc. d/b/a Westerly Hospital following closing of the transaction is described in the bylaws attached as Exhibit 2, which will become effective as part of the closing. The governance of Westerly Hospital will remain substantially similar to its current structure. The board composition reflected in Westerly Hospital's current bylaws remains the same with the exception that a YNHHS representative will be added to the board. Additionally, the existing authority of Westerly Hospital's board will remain substantially the same with the exception that those powers that today are reserved to the L+M Corporation Board as Westerly Hospital's sole member and the powers set forth in the bylaws will also become subject to YNHHSC approval as well, all as further described in the bylaws attached as Exhibit 2. Westerly Hospital's governance will also remain subject to and in compliance with the conditions of approval regarding locally based directors set forth in the Rhode Island Attorney General's approval of L+M's hospital conversion act application dated April 17, 2013. The parties do not anticipate any other changes as a result of the proposed transaction other than in the ordinary course pursuant to the Bylaws and expiration of terms.

The governance of YNHHSC will remain the same after the conversion except that following the closing and through at least the sixth (6th) anniversary, the person who serves as the Chair of the Board of L+M will be elected as a voting member of the Board of YNHHSC, and such person will have the opportunity to be a member of the YNHHSC Nominating and Governance Committee. Other members of the L+M Board will have the opportunity to serve on YNHHSC Board committees.

6. (A) Please provide organizational charts for the existing and post-conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control. (B) Please provide a detailed narrative that describes the organizational structure for the Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

Response:

(A) Attached hereto as Exhibit 6(A) are organization charts for the existing and post-conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

(B) A brief summary of the entities identified on the organizational chart in which L+M has a 20% or greater ownership interest is as follows:

1. Lawrence + Memorial Corporation d/b/a L+M Healthcare is the parent entity for all system affiliates, and a Connecticut non-stock corporation.

2. L&M Systems, Inc., is a non-operating subsidiary of Lawrence + Memorial Corporation formerly used to provide certain physician practice support services.

3. Lawrence & Memorial Foundation, Inc. (presently not operating) was formed in the 1980s and has not been operational for the last 20 years; the exact date on which Lawrence & Memorial Foundation stopped operating is unavailable.

4. LMW Healthcare, Inc. d/b/a Westerly Hospital is a Rhode Island nonprofit corporation that owns and operates Westerly Hospital.

5. The Westerly Hospital Foundation, Inc. is a Rhode Island non-profit corporation and subsidiary of LMW Healthcare, Inc. and that performs fundraising and development activities for the benefit of Westerly Hospital.

6. The Westerly Hospital Auxiliary, Inc. is a Rhode Island non-profit corporation and subsidiary of LMW Healthcare, Inc. that engages in activities to support Westerly Hospital.

7. Westerly Hospital Energy Company, LLC is a Rhode Island limited liability company whose sole member is LMW Healthcare, Inc.

8. LMW Physicians, Inc. is a Rhode Island nonprofit corporation and is non-operational. L+M currently anticipates dissolving this entity.

9. L&M Indemnity Company, Ltd. is a subsidiary domiciled in the Cayman Islands that provides insurance programs to Lawrence + Memorial Corporation system affiliates.

10. Lawrence + Memorial Hospital, Inc. is a Connecticut nonprofit corporation that owns and operates Lawrence + Memorial Hospital.

11. VNA of Southeastern CT, Inc. is a Connecticut nonprofit corporation, and a home health care agency.

12. L&M Health Care, Inc. (presently not operating) was the entity through which one of Lawrence + Memorial Corporation's joint ventures functioned until it was dissolved. L+M currently anticipates dissolving this entity.

13. Southeast CT Health Partners, Inc. (presently not operating) was formed in 2008 and was never made operational. This entity was dissolved on December 21, 2015 and has been removed from the organization chart in Exhibit 6(a).

14. L&M Physician Association, Inc. d/b/a L+M Medical Group is a Connecticut medical foundation that operates multi-specialty physician practices in Connecticut and Rhode Island.

15. Associated Specialists of Southeastern Connecticut, Inc. is a Connecticut nonprofit corporation and subsidiary of Lawrence + Memorial Hospital, Inc. that provides certain physician services.

16. L&M Home Care Services, Inc. is a Connecticut stock corporation that holds an interest in a multi-party joint venture for outpatient dialysis services.

A brief summary of the entities identified on the organizational chart in which a YNHHS entity has a 20% or greater ownership interest is as follows:

17. Yale-New Haven Health Services Corporation is non-stock, tax exempt, corporation and the parent entity for all of YNHHSC entities (known collectively as "Yale New Haven Health System", the "System", or YNHHS).

18. The New Clinical Development Corporation is a non-stock tax-exempt corporation, 50% of which is owned by Yale-New Haven Health Services Corporation and 50% of which is owned by Yale University, formed to provide support for the development of new and innovative clinical programs and services

19. Total Health Connecticut, LLC is a taxable limited liability company owned 60% by Yale-New Haven Health Services Corporation and 40% by St. Francis Healthcare Partners, Inc., formed to own and operate a clinically integrated network of health care providers.

20. "Yale-New Haven Delivery Network" is the terminology used within Yale New Haven Health System to refer a collection of YNHHS entities affiliated with Yale-New Haven Hospital. This network includes the following:

- Yale-New Haven Hospital, Inc. is a non-stock tax exempt corporation formed to own and operate Yale-New Haven Hospital, a licensed Connecticut acute care general hospital.
- Yale-New Haven Medical Center, Inc. is a non-stock tax exempt corporation, 50% of which is owned by Yale-New Haven Hospital, Inc. and 50% of which is owned by Yale University, formed to manage certain real estate properties owned by Yale-New Haven Hospital and Yale University.
- Yale-New Haven Ambulatory Services Corporation is a non-stock, taxable corporation that holds interests in certain joint ventures that provide endoscopic, surgical and other outpatient services.
- Shoreline Surgery Center, LLC is a taxable limited liability company, 51% of which is owned by Yale-New Haven Ambulatory Services Corporation and 49% of which is owned by a combination of private physicians and a management company.
- SSC II, LLC is a taxable limited liability company, 51% of which is owned by Yale-New Haven Ambulatory Services Corporation and 49% of which is owned by a private physician entity. SSC II, LLC owns and operates an outpatient endoscopy center.
- Northeast Pediatric Specialists, Inc. is a non-stock, tax-exempt corporation owned 50% by Yale-New Haven Hospital and 50% by Connecticut Children's Medical Center formed to provide certain pediatric specialty services to each member hospital.
- Primary NET of Connecticut, Inc. is a taxable business corporation that was formed to create a primary care network. The corporation has been dormant since 1997, and is intended to be dissolved.
- 150 Sargent Drive, LLC is a limited liability company, with Yale New Haven Hospital, Inc. as the sole member and Yale-New Haven Health Services Corporation as the springing member. The sole purpose of this entity was to purchase and hold title to certain real property.
- Yale-New Haven Care Continuum Corporation d/b/a Grimes Center is a non-stock, tax exempt corporation wholly owned by Yale-New Haven Hospital, Inc. and formed to own and operate a Connecticut licensed chronic and convalescent nursing home.
- York Enterprises, Inc. is a taxable stock company wholly owned by Yale-New Haven Hospital, Inc., formed to hold interests in certain other entities.
- Connecticut CK Leasing, LLC is a taxable joint venture owned by Yale-New Haven Ambulatory Services Corporation (49.091 %) and Accelitech LLC (50.909%). The LLC was formed for the purpose of owning and operating a Cyberknife device and leasing it to the Hospital of Saint Raphael, and by assignment to Yale-New Haven Hospital for clinical use.

- Saint Raphael Dialysis Center Partnership is a partnership owned by Yale-New Haven Ambulatory Services Corporation (49.9%) and Renal Research Institute, LLC (50.1%), and formed to provide outpatient dialysis services.
- Medical Center Realty, Inc. is a taxable stock company wholly owned by York Enterprises, Inc., formed to hold interests in certain real property.
- Medical Center Pharmacy and Home Care Center, Inc. d/b/a Apothecary & Wellness Center is a is a taxable, stock company wholly owned by York Enterprises, Inc., formed to operate a hospital outpatient pharmacy.
- Century Financial Services, Inc. is a taxable stock company, the stock of which is owned 47.6% by by York Enterprises, Inc. and 47.6% by Bridgeport Hospital (the remainder is owned by other, non-YNHHS hospitals). Century Financial Services, Inc. operates a collection business.
- Century Management Services, Inc. is a taxable stock company, the stock of which is owned by York Enterprises, Inc., formed to provide certain financial management and advisory services.
- Smilow at Saint Francis Cancer Center Partnership is a partnership owned by Yale-New Haven Hospital (50%) and Saint Francis Hospital and Medical Center (50%)("SFHMC"), and formed for the joint operation of SFHMC's outpatient medical oncology and hematology program located at SFHMC's main campus.

21. "Bridgeport Delivery Network" is the terminology used within Yale New Haven Health System to refer to a collection of YNHHS entities affiliated with Bridgeport Hospital. This network includes the following:

    - Bridgeport Hospital is a non-stock, tax-exempt corporation formed to own and operate Bridgeport Hospital, a licensed Connecticut acute care general hospital.
    - Bridgeport Hospital Auxiliary, Inc. is a non-stock, tax-exempt corporation formed to initiate fund-raising projects for Bridgeport Hospital, upon approval of the Bridgeport Hospital Board.
    - Bridgeport Hospital Foundation, Inc. is a non-stock, tax-exempt corporation whose sole member is Bridgeport Hospital, formed to encourage philanthropy and solicit donations for the benefit of Bridgeport Hospital.
    - Southern Connecticut Health System Properties, Inc. is a non-stock, tax-exempt property holding corporation wholly owned by Bridgeport Hospital
    - Bridgeport Renewal, LLC is a single member disregarded limited liability company wholly owned controlled Southern Connecticut Health System Properties, Inc., formed to hold title to and manage certain real property.

22. "Greenwich Delivery Network" is the terminology used within Yale New Haven Health System to refer to a collection of YNHHS entities affiliated with Greenwich Hospital. This network includes the following:

    - Greenwich Health Care Services, Inc. is a non-stock, tax-exempt corporation. It serves as the parent of the Greenwich Delivery Network (i.e., Greenwich Hospital, The Greenwich Hospital Foundation, The Perryridge Corporation and

Greenwich Health Services, Inc.). The sole member is Yale-New Haven Health Services Corporation.

- Greenwich Hospital Endowment Fund, Inc. is a non-stock, tax-exempt corporation, the sole member of which is Greenwich Health Care Services, Inc. It holds, manages and administers the unrestricted portion of Greenwich Hospital's endowment funds and distributes the funds to or for the benefit of Greenwich Hospital.
- Greenwich Ambulatory Surgery Center, LLC is a limited liability company, the sole member of which is Greenwich Hospital, and was formed to hold Greenwich Hospital's interest in certain joint ventures.
- Orthopaedic & Neurosurgery Center of Greenwich, LLC is a taxable limited liability company, owned by Greenwich Ambulatory Surgery Center, LLC (35%) and a private physician practice (65%). Orthopaedic & Neurosurgery Center of Greenwich, LLC was formed to own and operate an outpatient surgery center.
- Greenwich Hospital is a not-stock, tax-exempt corporation formed to own and operate Greenwich Hospital, a licensed Connecticut acute care general hospital
- Greenwich Fertility and IVF Center, PC is a taxable, captive professional corporation controlled by Greenwich Hospital and formed to operate a medical practice.
- Greenwich Occupational Health Services of New Jersey, PC is a taxable, captive New Jersey professional corporation controlled by Greenwich Hospital and formed to provide occupational health services in New Jersey.
- Greenwich Occupational Health Services of New York, PC is a taxable, captive New York professional corporation controlled by Greenwich Hospital, and formed to provide occupational health services in New York.
- 900 King Street Associates, LLC is a single member disregarded limited liability company owned and controlled by Greenwich Hospital, formed to hold certain real estate interests.
- Greenwich Clinical Pathology Associates, LLC is a, single member professional limited liability company controlled by Greenwich Hospital and formed to provide certain health care services.
- Greenwich Pathology Associates, LLC is a single member disregarded limited liability company controlled by Greenwich Hospital and formed to conduct a pathology laboratory.
- The Perryridge Corporation is a tax-exempt non-stock corporation, the sole member of which is Greenwich Health Care Services, Inc., formed to be a holding company for certain real property interests.
- 2015 West Main Street Associates, LLC is a single member disregarded limited liability company wholly owned by The Perryridge Corporation, formed to hold title to certain real property.
- GH Realty Holding, LLC is a single member disregarded limited liability company wholly owned by The Perryridge Corporation, formed to engage in certain real estate transactions and hold certain real property.

23. "Northeast Medical Group Delivery Network" is the terminology used within Yale New Haven Health System to refer to a collection of YNHHS entities affiliated with the

YNHHS physician foundation, Northeast Medical Group, Inc. This network includes the following:

- Northeast Medical Group, Inc. is a tax exempt non-stock corporation, the sole member of which is Yale-New Haven Health Services Corporation, formed to own and operate a medical foundation.
- Northeast Medical Group, PLLC is a tax-exempt New York professional service limited liability company controlled by Northeast Medical Group, Inc., formed to provide professional medical services in New York.
- Northeast Medical Group ACO, LLC is a single member disregarded limited liability company, the sole member of which is Northeast Medical Group, Inc., formed to operate an accountable care organization under the Medicare Shared Savings Program.
- NEMG Gastroenterology, LLC is a single member disregarded limited liability company, the sole member of which is Northeast Medical Group, Inc., formed to own and operate a licensed endoscopy center.

24. YNHH-MSO, Inc. is a taxable stock corporation wholly owned by Yale-New Haven Health Services Corporation that employs certain non-clinical staff working in Northeast Medical Group, Inc. physician practices.

7. Please provide all documents, reports, meeting minutes and presentations relevant to the Transacting Parties' board of directors' decision to propose the conversion.

Response: Attached hereto as Confidential Exhibit 7 are presentations and relevant meeting minutes relevant to the Transacting Parties' board of directors' decision to propose the conversion. Please also see Confidential Exhibit 7 for data constituting the "back-up reports" related to CSI opportunities. Set forth below is an explanation of the Clinical Sustainability Initiative ("CSI") program and its current status. CSI describes a comprehensive engagement that L+M has undertaken across its system focused on improving the value of care delivery to its patients. These initiatives span a wide variety of broad based categories, with each area of focus having multiple specific initiatives, and include an array of personnel categories, including participation by management, clinical, and administrative personnel. CSI is not a one-time event or specifically limited initiatives, but rather a comprehensive approach to focusing on target areas of improvement and maintaining momentum in those areas.

The CSI improvement focus has been on the following areas:

- Average Length Of Stay: Reducing the average length of stay through better coordination of care, faster patient recovery, effective discharge planning, and lower total costs for each inpatient episode.

- Clinical Variation: Improving clinical care delivery protocols and standardization to reduce clinical variation and eliminate waste.

- Human Resources: Make substantive improvements in our human resource policies to ensure a competitive workforce that is also aligned with the market.

- Portfolio Optimization: Improve efficacy, efficiency and value to the consumer in the services being provided.

- Employed Physician Services (L+MMG): Delivering physician services to our community in a more cost effective and clinically relevant manner, with a focus on growing primary care, improving productivity and access, making it easier to communicate and do business with L+MMG physicians, and better aligning physician compensation with group and system goals.

- Revenue Cycle: Reflecting the changes in the market place to improve efficacy of revenue cycle processes in insurance eligibility, financial counseling, preauthorization, denial/write-off reductions, and our point of service patient engagement.

- Supply Chain: Improve cost of supplies and drugs through greater engagement with clinicians and vendors, reduction in utilization, approving lower cost options and alternatives, renegotiating contracts, and better inventory management.

- Workforce Management: Continue to find new ways in productivity, efficiencies and structure to lower labor costs and unit cost of delivering care. This combines efforts to evaluate fixed staffing areas relative to benchmarks, and volume based staffing metrics relative to units of service (volume). These targets were developed based on competitive industry performance

adapted based on our own unique size, scope, functions and technology. In FY16 we have also added new targets to CSI, which include:

- Improving quality and value based purchasing ("VBP") to improve the value to consumers, and to better take advantage of revenue enhancement opportunities for various VBP initiatives.

- Due to many market forces in the RI market, Westerly Hospital has experienced additional pressures on reimbursement, especially on inpatient business and further transition to outpatient services in the first half of FY16. These changes have increased the financial pressures on Westerly Hospital, as well as the higher relative fixed cost infrastructure relative to lower volumes. Improving this dynamic remains a key focus in FY16 and FY17.

L+M has made exceptional gains with CSI targets being exceeded in FY15, and year-to-date performance in FY16 being on track with expectations as outlined in the attached slide. However, despite substantial and noteworthy improvements, additional market forces and especially the very damaging hospital tax escalation in Connecticut have made CSI increasingly critical, but not sufficient to overcome these mounting headwinds. Incremental improvement targets and further actions are necessary, which in large part drove L+M to more clearly evaluate an affiliation arrangement. L+M has sought these additional solutions as part of a more comprehensive strategy through the affiliation with YNHHSC to achieve the incremental growth, investment and further expense, quality and coordination of care synergies outlined previously in our application.

The Confidential Exhibits provided in response to this question are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 7 is confidential because it is comprised of business records that contain proprietary information memoranda or other writings detailing confidential and proprietary information related to the parties' business strategies the public disclosure of which could adversely affect the parties involved.

8. (A) Please provide conflict of interest policies and procedures. (B) Please provide current, signed conflict of interest forms from all incumbent or recently incumbent officers, members of the board of directors, trustees or senior managers of the Transacting Parties. (Please note that "incumbent or recently incumbent" means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year prior to the application's acceptance).

Response:

(A) Attached hereto as Exhibit 8(A) are conflict of interest policies and procedures of Yale – New Haven Health Services Corporation and Lawrence + Memorial Corporation.

(B) Attached hereto in Confidential Exhibit 8(B) are current, signed conflict of interest forms from all incumbent or recently incumbent officers, members of the board of directors, trustees or senior managers of the Transacting Parties. The parties request confidentiality for this exhibit because it contains confidential personnel information, which if publicly disclosed, would be an unreasonable intrusion on the listed individuals' personal privacy. All conflict of interest forms attached are the most recent conflict of interest statements available. Accordingly, the following are attached:

Yale – New Haven Health Services Corporation

1. Marna P. Borgstrom
2. Vincent A. Calarco
3. Joseph R. Crespo
4. Mary C. Farrell
5. Carlton L. Highsmith
6. Thomas B. Ketchum
7. John L. Lahey
8. Marvin K. Lender
9. Newman M. Marsilius, III
10. Julia M. McNamara
11. Barbara B. Miller
12. Benjamin Polak
13. Meredith B. Reuben
14. **Peter Salovey (SENT DIRECTLY TO AG)**
15. Elliot J. Sussman, M.D.
16. James P. Torgerson
17. John L. Townsend, III
18. William J. Aseltyne, Esq.
19. Daniel Barchi
20. Gayle L. Capozzalo
21. Richard D'Aquila

22. William S. Gedge
23. William M. Jennings
24. Alan S. Kliger, M.D.
25. Patrick McCabe
26. Kevin A. Myatt
27. Christopher O'Connor
28. Vincent Petrini
29. Norman Roth
30. James M. Staten
31. Vincent Tammaro
32. David Wurcel
33. Melissa Turner
34. John Skelly
35. Carolyn Salsgiver
36. James B. Morris
37. Nancy Levitt-Rosenthal
38. Eugene J. Colucci
39. Michael Dimenstein
40. Stephen Allegretto

Lawrence + Memorial Corporation

1. Granville Morris
2. R. Alan Hunter
3. Christopher R. Jalbert, M.D.
4. Jon T. Kodama
5. Lisa Konicki
6. Robert Nardone
7. B. Michael Rauh
8. Ross J. Sanfilippo, D.M.D
9. Kathleen Steamer, CPA
10. Rev. Catherine Zall
11. Bruce D. Cummings
12. Kathleen Crook
13. R. Preston Lamberton, M.D.
14. Stephen M. Greene
15. Maureen Anderson
16. Fred Conti
17. Kathleen Holt
18. Crista Durand
19. Donna Epps
20. Lugene Inzana
21. Kimberly Kalajainen

22. Pamela Kane
23. Chris Lehrach, M.D.
24. Daniel Rissi, M.D.
25. William Stanley
26. Lauren Williams, R.N.
27. Lynn Malerba
28. Scott Bates

LMW Healthcare, Inc. d/b/a Westerly Hospital

1. Stephen Greene, CPA
2. Deborah Lamm
3. Steve Ruzzo
4. Ann Lain
5. Bruce D. Cummings
6. George Bourganos, M.D.
7. William Conlin, M.D.
8. Adrian Hamburger, M.D.
9. Thomas Liguori, Jr.
10. Corinne Rossi
11. Richard Smith
12. Maureen Anderson
13. Rachel McCormick, M.D.
14. Crista Durand
15. Donna Epps
16. Lugene Inzana
17. Kimberly Kalajainen
18. Pamela Kane
19. Chris Lehrach, M.D.
20. Daniel Rissi, M.D.
21. William Stanley
22. Lauren Williams, R.N.
23. Jon C. Gaudio, M.D.

9. Please provide copies of audited income statements, balance sheets, and other financial statements for the past 3 years for the Transacting Parties and their affiliated hospitals where appropriate and to the extent they have been made public, audited interim financial statements and income statements together with detailed descriptions of the financing structure of the proposed conversion including equity contribution, debt restructuring, stock issuance and partnership interests; and interim up-to-date unaudited income statements and balance sheets (where audited financial statements are unavailable).

Response: Attached hereto as Exhibit 9, are audited consolidated financial statements and supplemental information for Yale – New Haven Health Services Corporation and Subsidiaries from Fiscal Years 2015, 2014, 2013 and 2012. Exhibit 9 also contains consolidated financial statements for Lawrence + Memorial Corporation and Subsidiaries from Fiscal Years 2015, 2014, 2013, and 2012.

Note that the Yale – New Haven Health Services Corporation and Subsidiaries' financials contain references to system support fees. For YNHHS affiliates the system support fee is derived based on a percentage of total operating expenses for that delivery network. A ratio of 1.25% is applied and that number is paid as a System Support Fee. The calculation excludes the expense of the fee itself.

Additionally, please see Confidential Exhibit 9 for management letters related to the audited financials. For years in which management letters were issued (note that management letters were not provided for all years), the management letters are attached in Confidential Exhibit 9. For YNHHSC, no management letters were issued for the applicable fiscal years.

The Confidential Exhibits provided in response to this question are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 9 is confidential because it is comprised of business and financial records that contain proprietary information or other writings detailing confidential and proprietary information related to the parties, the public disclosure of which could adversely affect the parties involved.

10. Please provide copies of reports analyzing the proposed conversion by any of the Transacting Parties during the past 3 years, including but not limited to, reports by appraisers, accountants, investment bankers, actuaries, other experts.

Response:

Attached hereto as Confidential Exhibit 10 are all other copies of reports analyzing the proposed conversion by any of the Transacting Parties during the past 3 years, including but not limited to reports by appraisers, accountants, investment bankers, actuaries, and other experts.

The Confidential Exhibits provided in response to this question are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 10 is confidential because it consists of business records that contain commercial and financial information about the transacting parties that were obtained from a confidential source. The public disclosure of this information could adversely affect the parties involved if disclosed to the public.

Additionally, as requested, a copy of a Standard & Poor's statement regarding L+M's credit rating is included in Exhibit 10.

In November 2012, YNHHS communicated to S&P and Moody's that a selection process for internal and external audit firms was being scheduled; however, as two of the existing "big four" accounting firms, Deloitte & Touche, LLP and PwC, were not considered independent, the process was not carried out until FY2015. Ernst & Young had been the external auditor for YNHHS for 40+ years, and although YNHHS had complied with its Audit Committee Charter requirements of rotating the lead independent audit partner at least every six years and the review partner at least every four years, YNHHS had not carried out a process to evaluate quality and cost of service in several years. YNHHS undertook such a process in 2015, and as a result of the assessment, KPMG was selected for external audit services. The assessment was not performed as a result of any disagreements or disputes between Ernst & Young and YNHHS, and in fact Ernst & Young remains a valued business partner, as they were selected to carry out internal audit responsibilities.

Also note, the recent policies of the State of Connecticut regarding Medicaid reimbursements and taxes applicable to hospital systems have impacted the transacting parties' analysis of this transaction. Over the past few years Connecticut hospitals have seen both a decline in Medicaid reimbursement while at the same time a sharp rise in the state hospital tax. During the process of creating financial projections for the transacting parties the best available information is always

used, and is the genesis of the financial commitment from Yale New Haven Health System, and the cost savings figures set forth in the transaction documents, as well as in this application. The parties continue to monitor and respond to Connecticut Medicaid and tax policies in order to implement the most effective plan to be able to continue providing high quality care in the transacting parties' service areas, with the understanding that the State's policies impact the financial positions of the transacting parties and the goals set forth in the transaction documents. The uncertainty regarding future state Medicaid and tax policies and the impact of the current policies and taxes on the transacting parties makes the proposed affiliation between YNHHSC and L+M even more important for the continued positive community impact, growth and success of the two health systems and the communities that each system serves.

11. Please provide copies of all documents related to:
    (a) Identification of all charitable assets;
    (b) Accounting of all charitable assets for the past 3 years; and
    (c) Distribution of the charitable assets including, but not limited to, endowments, restricted, unrestricted and specific purpose funds as each relates to the proposed transaction.

Response: Attached hereto please find Confidential Exhibit 11 identifying all of Westerly Hospital's charitable assets, accounting for all charitable assets for the past 3 years, and distribution of the charitable assets including, but not limited to, endowments, restricted, unrestricted, and specific purpose funds, as each relates to the proposed transaction.

The Confidential Exhibits provided in response to this question are considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 11 is confidential because disclosure of the exhibit would constitute an unwarranted invasion of personal privacy for contributors and would disclose the identity of contributors who have requested anonymity with respect to the contribution.

12. Please provide descriptions of the plan(s) as to how the affiliated hospitals will provide consolidated healthcare services and administrative services during the first 3 years following the conversion.

Response: During the first 3 years following the conversion, there are no planned consolidations, closures or reductions in any of the healthcare services offered by the affiliated hospitals. In fact, the affiliated hospitals are anticipating service enhancements and expansions to minimize the need for area residents to have to travel outside of the service area for many specialty services. Detailed planning to identify specific areas of focus will commence upon Closing through an ongoing and deliberate strategic planning process involving the Transacting Parties. To note, in this future planning, YNHHSC will uphold the commitments of the transaction documents, applicable court orders, and regulatory approvals in connection with the acquisition of the assets of Westerly Hospital by L+M and LMW Healthcare, Inc. in 2013.

Efficiencies will come from economies of scale as they relate to information technology, finance, insurance, equipment and supplies and other administrative services. The Transacting Parties will perform a detailed review of non-clinical shared services and implement efficient cost savings measures in areas identified during the review that will not negatively impact clinical and administrative operations. Sustained success will result from the coordination and implementation of clinical programs that are designed to improve the quality, cost-effectiveness and accessibility to health care services to the communities served by L+M.

In response to RIDOH's letter to the Transacting Parties dated February 18, 2016, please note the following:

No planned consolidations. YNHHSC is not planning on any consolidations or reductions that will affect the Westerly Hospital service area, and in fact YNHHSC intends to offer service enhancements in the region. However, Westerly Hospital management is aware of recent changes in Westerly Hospital's inpatient volume and a related reduction in revenue. Reviewing the first five (5) months of data for FY 2016, inpatient volume is 20% less than experienced during the same timeframe in FY 2015. Thus while the original HCA filing included a budgeted FY 2016 inpatient volume figure of 3,000, Westerly Hospital is projected to only achieve about 2,400 discharges in FY 2016, or 80% of budget. While inpatient utilization is generally declining both nationally and statewide, Westerly Hospital management continues to study this large decline in volume to determine whether it constitutes a trend that will require a response by Westerly Hospital and if such a response is required both the RIDOH and the RIAG will be notified. To assist in this process, Westerly Hospital management recently engaged a consultant to review both inpatient and outpatient internal and external market statistics, and make recommendations on the complement of services appropriate for Westerly Hospital given the recent volume trend and the community needs. Results of this assessment are not expected to be available for several months. The engagement of the consultant does not impact the transacting parties' plans to affiliate. The recent reductions to Westerly Hospital's volumes and revenues highlight the need for expedited approval of the proposed transaction, so that the parties can enhance clinical investments, achieve synergies, and reduce costs.

Impact of merger of medical groups. The merger of L+MMG into NEMG will have minimal impact on the Westerly Hospital service area. Currently, L+MMG maintains six (6) physician practice locations within the service area, three (3) of which are in Rhode Island. Thirty-one (31) physicians practice either full-time or part-time at these six (6) locations (please refer to Exhibit 12 for inventory of physicians, by location and by specialty). Upon consummation of the merger, all L+MMG physicians will become employees of NEMG. There are no planned changes to the six (6) locations nor any planned reductions to the physician complement at each location as a result of the merger. In fact, it is anticipated that after the merger, NEMG will be successful in recruiting additional physicians to the Westerly Hospital service area including much needed primary care physicians. Recruitment of primary care physicians to the service area has been identified as a top priority.

The merger of L+MMG into NEMG will have no impact on physician admitting privileges at Westerly Hospital. L+MMG physicians currently on the medical staff of Westerly Hospital will remain so, subject of course to any physician's continuing satisfaction of Westerly Hospital's privileging criteria. In addition, the merger of L+MMG into NEMG will not impact the hours of operation at each service area location, insurances taken, or the organization's commitment to provide charity care. In fact, upon detailed review of charity care policies for L+MMG and NEMG, NEMG's policies are slightly more generous for patients, and will take effect upon completion of the merger.

Challenges of prior integration of Westerly Hospital into L+M. Challenges facing the operation of Westerly Hospital since becoming a member of the L+M system in June, 2013 have resulted more from addressing needs that faced the hospital prior to its acquisition as well as new developments relating to the pace of health care reform and market forces than they have resulted from integration itself. For example, the lack of capital investment in Westerly Hospital's facilities for some time prior to its acquisition has left the facility in need of significant structural investment, much of which was identified prior to closing. Since closing however there have been several instances of unanticipated need for facility repair that have redirected capital investment in the facility to address an emergency repair. Similarly, Westerly Hospital's historically low inpatient volume has recently eroded further against market trends occurring both regionally and nationally that are showing decreasing inpatient volume overall. This fact, coupled with continued reimbursement pressures from both government and commercial payers and competitive pressures in Westerly Hospital's market have continued to put financial pressure on the hospital's operation despite L+M's successful implementation of its turnaround plan for Westerly Hospital that resulted in the hospital returning to profitability for the first 2 ½ years post-closing. Management is currently in the process of evaluating these trends and potential responses.

It should be noted that when Westerly Hospital became a member of the L+M system it came in as a separate corporate entity, LMW Healthcare, Inc., that was affiliated with the L+M system. This structure therefore did not require merging of medical staffs or staffs generally, integration of contractual commitments or immediate operational change as would be the case for instance when there is a merger and another entity is the surviving entity. The structure of the transaction itself was such that system integration could be approached in a staged way that minimized disruption. While not necessarily considered to be particular "challenges", some of the integration needs that have been addressed since closing include education and orientation of

new board members, converting to a common accrediting body, streamlining certain operational policies, and managing the return of donor confidence and fundraising coordination. Additionally, since closing Westerly Hospital has continued to operate on different electronic medical record, billing and general financial systems than L+M Hospital and L+M Medical Group. The L+M system is currently involved in an EMR and billing conversion project that will result in a common solution being implemented at both hospitals and the medical group, which project is targeted to be completed on October 1, 2016. The successful completion of this project will further enhance the availability of clinical information across the system and operational efficiencies.

Note that the parties do not have a written work plan for the integration of L+M into the YNHHSC system.

13. Please provide copies of plans relative to staffing levels of all categories of employees during the first 3 years at the new hospital(s) following the implementation of the proposed conversion. Please, further, complete Appendix A 1.

Response: Staffing levels at Westerly Hospital are anticipated to be maintained commensurate with current levels (as adjusted for volumes).

14. Please complete Appendix D regarding plans for all hospital departments or services that will be eliminated, or significantly reduced at the new hospital during the first 3 years at the new hospital(s) following the implementation of the proposed conversion.

Response: There are no plans to eliminate or significantly reduce any departments or services at Westerly Hospital within the first 3 years following the conversion.

In response to RIDOH's letter to the Transacting Parties dated February 18, 2016, please note the following:

No planned consolidations. YNHHSC is not planning on any consolidations or reductions that will affect the Westerly Hospital service area, and in fact YNHHSC intends to offer service enhancements in the region. However, Westerly Hospital management is aware of recent changes in Westerly Hospital's inpatient volume and a related reduction in revenue. Reviewing the first five (5) months of data for FY 2016, inpatient volume is 20% less than experienced during the same timeframe in FY 2015. Thus while the original HCA filing included a budgeted FY 2016 inpatient volume figure of 3,000, Westerly Hospital is projected to only achieve about 2,400 discharges in FY 2016, or 80% of budget. While inpatient utilization is generally declining both nationally and statewide, Westerly Hospital management continues to study this large decline in volume to determine whether it constitutes a trend that will require a response by Westerly Hospital and if such a response is required both the RIDOH and the RIAG will be notified. To assist in this process, Westerly Hospital management recently engaged a consultant to review both inpatient and outpatient internal and external market statistics, and make recommendations on the complement of services appropriate for Westerly Hospital given the recent volume trend and the community needs. Results of this assessment are not expected to be available for several months. The engagement of the consultant does not impact the transacting parties' plans to affiliate. The recent reductions to Westerly Hospital's volumes and revenues highlight the need for expedited approval of the proposed transaction, so that the parties can enhance clinical investments, achieve synergies, and reduce costs.

15. Please provide the binding transaction documents, such as an asset purchase/transfer agreement, affiliation agreement and/or memorandum of understanding and all exhibits and schedules (including any updates or supplements).

Response: Attached hereto as Exhibit 15 and Confidential Exhibit 15 is a copy of the Affiliation Agreement, and related documents including the schedules and exhibits dated July 17, 2015 by and among the Sellers (as defined therein) and the Buyer (as defined therein).

The Confidential Exhibits provided in response to this question are considered confidential and shall be subject to the confidentiality protections contained in R.I. General Laws Section 23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, this Confidential Exhibit 15 is confidential because it contains proprietary business information the disclosure of which to the public could adversely affect the parties involved.

In response to RIDOH's letter to the Transacting Parties dated February 18, 2016, note that the reason it was determined that L+M would not become part of the YNHHS Obligated Group ("OG") as of the closing of the transaction is that the cost of restructuring L+M's existing bond debt exceeded any benefit to bringing the debt within the obligated group. A debt restructure would have required L+M to refund, or call, its existing bonds, and then put out a new debt issuance on terms less favorable than it had secured in the existing issuance. Based on market conditions that existed in June 2015 when the assessment was completed, the parties concluded that the benefits to L+M of entry into the OG would be overshadowed by the financial impact associated with doing so. This impact included the addition of approximately $5.0 million to $8.0 million of indebtedness and a present value loss on pro forma debt service in excess of $1 million. Should market interest rates change such that L+M's entry into the OG becomes financially beneficial, then L+M will join the OG. Additionally, because the parties do not anticipate needing to incur any debt for purposes of the transaction, there is no current need to bring L+M into the OG for this purpose. L+M did commit, however, under the Affiliation Agreement, to become part of the OG when there was a determination by YNHHS that is was reasonable to do so.

16. Please discuss whether this proposal will require the review by any relevant federal authority and, if so, please identify such review(s) and provide its current status.

Response: Under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 ("HSR"), entities involved in mergers and acquisitions that meet certain criteria must file premerger notification with the FTC. A merger subject to HSR filing requirement may not close until the waiting period expires, or the government grants early termination of the waiting period. The proposed transaction contemplated by this application meets the HSR filing requirements. As such, on August 7, 2015, Lawrence + Memorial Corporation and Yale-New Haven Health Services Corporation filed Notification and Report Forms for Certain Mergers and Acquisitions with the Federal Trade Commission ("FTC") and Department of Justice. By correspondence dated August 10, 2015, the FTC confirmed receipt of the completed Notification and Report Forms and stated that the waiting period would expire on September 8, 2015. A copy of the FTC correspondence dated August 10, 2015, and the FTC's own description of the "Premerger Notification and the Merger Review Process" is attached as Exhibit 16. On September 8, 2015, the FTC let the waiting period outlined by the Hart-Scott-Rodino Antitrust Improvements Act expire without further investigating the transaction.

17. Please identify any state or federal licensure or certification citations and/or enforcement actions taken against the Transacting Parties and their affiliates within the past 3 years and the status or disposition of each.

Response: Please see attached Confidential Exhibit 17.

The Confidential Exhibit provided in response to this question is considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws §23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, the Transacting Parties' documents in Confidential Exhibit 17 are confidential because they pertain to investigatory records for possible violations of statutes, rules or regulations and are therefore confidential and public disclosure could adversely affect the parties involved.

18. Please provide a list of pending or adjudicated citations, violations or charges against the Transacting Parties and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.

Response: Please see attached Confidential Exhibit 18.

The Confidential Exhibit provided in response to this question is considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws §23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, the Transacting Parties' documents in Confidential Exhibit 18 are confidential because they pertain to investigatory records for possible violations of statutes, rules or regulations and are therefore confidential and public disclosure could adversely affect the parties involved.

19. Please provide a list of any investigations by federal, state or municipal agencies against the Transacting Parties and their affiliates within the past 3 years and the status or disposition of each.

Response: Please see attached Confidential Exhibit 19.

The Confidential Exhibit provided in response to this question is considered confidential and/or proprietary and shall be subject to the confidentiality protections contained in R.I. General Laws §23-17.14-32. R.I. General Laws Section 38-2-2 specifically defines the following as "non-public" records: "trade secrets and commercial or financial information which is a of a privileged or confidential nature;" "all tax returns;" "preliminary drafts, notes, impressions, memoranda, working papers, and work products;" and, "any records which would not be available by law or rule of court to an opposing party in litigation." Specifically, the Transacting Parties' documents in Confidential Exhibit 19 are confidential because they pertain to investigatory records for possible violations of statutes, rules or regulations and are therefore confidential and public disclosure could adversely affect the parties involved. Furthermore, Confidential Exhibit 19 is being provided pursuant to agreement by L+M and AFT (union) to allow production subject to confidentiality provisions cited above. Confidentiality is requested per that agreement and to avoid possible exposure for the breach of said agreement.

20. Please describe in detail any plans for cross-privileging of medical staff affiliated with either of the Transacting Parties and their affiliates before and after the proposed conversion.

Response: Presently there are no plans for cross-privileging for Westerly Hospital, Lawrence + Memorial Hospital, and Yale-New Haven Health Services Corporation hospitals' medical staffs, and as such, no documents exist related to cross-privileging of medical staff. Medical staff members, at their choosing, will be allowed to apply for privileges on other YNHHSC medical staffs as they are currently permitted to do, but will be subject to such medical staff's application and credentialing requirements.

21. Please provide a description of the plan as to how the Transacting Parties and their affiliates will provide community benefits during the first 3 years of operation after the proposed transaction is completed.

Response:

Each one of the YNHHSC and L+M hospitals has a long history of providing community benefits to the populations they serve. After the proposed transaction, evaluation of community needs and prioritization of focus areas will continue to be made on a local level. Thus the Transacting Parties, including Westerly Hospital, will maintain autonomy in decisions regarding the provision of community benefits in each facility's community. Westerly Hospital will continue to dedicate and commit resources to fund and to support community benefit programs and to make reinvestments in the communities that Westerly Hospital serves.

As the sole community hospital in southwestern Rhode Island, Westerly Hospital provides community benefits to advance its mission of improving the health of the communities it serves. In FY 2014, Westerly Hospital's community benefits totaled over $3.7 million in free programs and services, with $3.3 million helping to ensure access to care for 15,150 people, $124,000 helping to educate 62 future health care providers, and $283,000 promoting a healthy community for 2,500 people. In advancement of its not-for-profit mission, Westerly Hospital's method to identify local health needs takes place both formally through the triennial community health needs assessment (CHNA) process and informally through a periodic internal review of disease incidence and prevalence rates. These analyses inform Westerly Hospital of the health status of its community and are used to focus program and service development on areas of greatest concern.

Westerly Hospital completed its most recent CHNA in 2013, with top "need areas" identified as mental health and substance abuse, diabetes, and heart disease. Since the 2013 CHNA, implementation action items completed or in-process include:

- Establishment of multidisciplinary behavioral health task force and placement of dedicated behavioral health practitioner in Westerly Hospital emergency department
- Diabetes outreach and education including support groups
- Establishment of Heart Healthy Westerly multidisciplinary team to develop strategies to improve cardiovascular health (e.g., smoking cessation, worksite wellness)

Work is underway between Westerly Hospital, the Hospital Association of Rhode Island (HARI), and Baker-Tilly (consultant) to revise the CHNA with completion anticipated in calendar year 2016.

Due to resource constraints, some of the identified community needs cannot be addressed as an initial priority for Westerly Hospital. In these cases, Westerly Hospital partners with local organizations and resources to ensure needs are being met. Westerly Hospital's community benefits philosophy is to build upon existing community resources, programs, and services, and not to duplicate them. Accordingly, Westerly Hospital evaluates existing community assets and prioritizes its efforts around identified gaps in services.

Similar to Westerly Hospital, L+M Hospital is committed to the delivery of high-quality, cost effective health care to its local community. In FY 2014, over $22 million in free programs and services were provided by L+MH. This was accomplished by ensuring access to care for more than 34,000 people with a benefit value of $19 million, educating almost 4,000 future health care providers with a benefit value of $1.1 million, and serving almost 10,000 people through health promotion programs with a benefit value of almost $2.3 million.

L+M Hospital implements community health improvement programs and health care support services including cardiac rehabilitation, pediatric weight management, support for cancer patients in the form of transportation and nutrition assessment and planning, intervention on pediatric asthma, and transportation for indigent patients. Programs to promote a healthy community go beyond the walls of the hospital. L+M Hospital hosts several grant-funded programs which include HIV outreach, Nurturing Families Network, Healthy Start, and the Connecticut Early Detection and Prevention Program for malignant and benign breast disease.

Note that the local initiatives at Westerly Hospital and L+M Hospital will benefit from the proposed transaction due to the System's lengthy and successful track record of developing and implementing community benefit initiatives. Important aspects of the System's community benefit track record are set forth below.

In Fiscal Year 2014, Yale New Haven Health System hospitals provided over $569.2 million (at cost) in community benefit and community-building activities. As part of the System-wide commitment to serve as strong community partners, each hospital provided numerous health screenings, community education sessions, community-building events, community leadership activities and grants and assistance to improve and enhance the health of its local community. In addition, the area of community benefits also includes costs associated with health professions-related education, uncompensated and under-compensated care. Based on the results of 2013 Community Health Needs Assessments, each Yale New Haven Health System hospital implemented community health improvement plans with partners in their local communities that addressed their top three public health issues.

Yale-New Haven Hospital provided $466.8 million in total community benefits and community building, including $132.2 million in uncompensated care and $221.7 in under reimbursed Medicaid (at cost). YNHH also provided numerous community benefit programs in Fiscal Year 2014. Some examples include: the Me & My Baby program provided 208 newly enrolled mothers access to prenatal and pediatric care, health education, care coordination and prescription drug coverage. This program is the only one of its kind in the New Haven area to offer free pregnancy testing and counseling by a registered nurse. In partnership with the Cornell Scott-Hill Health Center, YNHH's digital mammography van provided 913 screening mammography exams at 69 locations throughout southern Connecticut, enhancing accessibility to mammography services. YNHH offers support groups free of charge to patients and families in over 25 areas; these groups are staffed by social workers and help patients and their families cope with their illnesses and related issues. In Fiscal Year 2014, nearly 3,600 people attended and participated in support groups.

The community building activities included support for economic development, environmental improvements, workforce development, advocacy, coalition building and physical improvements and housing. Yale-New Haven Hospital has invested a significant amount of time and resources in the development and implementation of public health projects to improve health and increase access. Specific examples include providing easily accessible legal services to 275 children and families through the Medical Legal Partnership with the Children's Advocacy Center in the Pediatric Primary Care Center on the York Street Campus. YNHH continued to implement its Community Health Improvement Plan in collaboration with local partners to address key issues identified in the Community Needs Assessments.

Bridgeport Hospital maintains a longstanding commitment to ensuring access to healthcare services and advocating for the underserved. BH provided $66.5 million in community benefit and community building activities. This included $24.5 million in uncompensated care and $28.9 million in under reimbursed Medicaid (at cost). BH also had over 27,000 visits at the adult Primary Care Center, with 77.3% visits being Medicaid and uninsured patients. Through BH's Community Patient Assistance Program, many patients received financial assistance to cover the cost of their prescriptions, at a total cost savings to them of over $380,000.

Bridgeport Hospital continued its tradition of being active in the community by participating in numerous community outreach and support initiatives. The Primary Care Action Group ("PCAG") led the work of four Community Health Improvement Teams: the Cardiac and Diabetes Team's Know Your Numbers community health program screened over 350 people at food pantries, connected them with care as needed and helped local food pantries source healthier foods. Get Healthy CT continued its ongoing community education programs about healthy eating and physical activity, and began work in day care centers to combat childhood obesity. The Mental Health and Substance Abuse Team held awareness events in May and November, and implemented a weekly Community Care Team that conducts coordinated community case management on Emergency Department patients with behavioral health issues. The Access to Care Team developed and distributed a brochure on the importance of having a medical home, and increased access to primary care and specialty clinic appointments throughout Bridgeport. PCAG also oversaw the growth of the Dispensary of Hope ("Hope"), a free pharmacy that provides prescription medications at no cost to uninsured and low-income residents of Greater Bridgeport. Hope helped over 2,600 patients and provided $1.1 million in medications, a 28% increase from last year. Hope has a medication adherence rate of 63% versus a 50% adherence rate nationally for uninsured patients.

Bridgeport Hospital's Cancer Institute assisted nearly 100 patients to obtain transportation and referred 27 patients to Reach to Recovery and Look Good Feel Better programs. Free medical, screening and diagnostic breast services were provided to over 1,000 uninsured and under-insured women through the Norma F. Pfriem Breast Care Center's Underserved Program, which also provided outreach services to over 3,100 women. In addition, Norma F. Pfriem Cancer Institute provided grant-funded genetic counseling to 49 patients.

Greenwich Hospital sustained access to health care services and advocated for the underserved in its community. Greenwich Hospital provided $36.0 million in total community benefit and

community building activities. This included $18.4 million in uncompensated care and $8.9 million in under reimbursed Medicaid (at cost).

To address the four community health improvement issues of Mental and Behavioral Health, Healthy Lifestyles, Access to Care, and Cancer, Greenwich Hospital, in collaboration with its Community Health Improvement Partnerships in CT and NY, held a variety of community programs such as Mental Health First Aid training and programs on Alcohol Awareness, Anxiety Disorders and Sensory Modulations. To address collegiate binge drinking and alcohol hazing, the coalition held several public viewings and discussion sessions of the documentary "HAZE". Greenwich Hospital supported Healthy Lifestyles by continuing its Diabetes Self-Management Program through which it trained 20 people, as well as Family Night Out at the Carver Center in Port Chester, N.Y., and the Kids Cooking in the Kitchen Program at Carver Center and the Boys and Girls Club of Greenwich. This program provided children ages 9 – 12 with the opportunity to participate in three weekly hands-on after school sessions focused on nutrition with Greenwich Hospital registered dieticians, nurses, and chefs in collaboration with the Boys & Girls Club through a grant provided by PepsiCo.

Greenwich Hospital also initiated new programs including the Congestive Heart Failure Support Group, Oral History Senior Project with the Port Chester and Rye Brook Seniors and School Wellness Fairs, and participated in an Access to Health Care Fair at the Hispanic Resource Center in Mamaroneck, N.Y. To address cancer, GH provided free screenings to 64 uninsured women through its partnership with the Breast Cancer Alliance and free prostate screenings to 64 men through the Ed Randall Fans for the Cure. Over the year, over 17,000 people attended Greenwich Hospital-sponsored community health programs including health education lectures, health fairs, free screenings, health risk assessments and support groups, which were held a variety of community locations such as parks, schools, senior centers, housing developments, houses of worship and senior centers to ensure community access.

The Greenwich Hospital Community Advisory Committee continues to monitor the progress of the Community Health Implementation Plan and meets quarterly to oversee the efforts of the Hospital to meet the needs of the communities it serves.

22. Please identify whether or not the JCAHO accreditation is currently in good standing for each of the Transacting Parties and each of their affiliate hospital(s). If not, then please discuss in detail the reasons and provide copy of the JCAHO survey.

Response: Westerly Hospital is Joint Commission accredited and such accreditation is current and in good standing. Please find a copy of correspondence from Joint Commission attached as Exhibit 22. The current status of Westerly Hospital's accreditation can be viewed in the "Quality Check" section of the Joint Commission's website, available at: www.qualitycheck.org.

L+M Hospital is Joint Commission accredited and such accreditation is current and in good standing. Please find copies of documentation from the Joint Commission with respect to L+M's Hospital and Behavioral Health Care accreditation attached hereto as Exhibit 22. In addition, through the Joint Commission, L+M Hospital maintains advanced certification in stroke care and certification for its joint replacement hip and knee programs. The current status of L+M's accreditation and disease-specific certifications can be viewed in the "Quality Check" section of the Joint Commission's website, available at: www.qualitycheck.org.

Each of the hospitals currently affiliated with Yale New Haven Health System (Bridgeport Hospital, Greenwich Hospital, and Yale-New Haven Hospital) are Joint Commission accredited, and such accreditations are in good standing.

23. Please provide detailed information and documentation sufficient to demonstrate the following:

a) that the character, commitment, competence, and standing in the community, or any other communities served by the proposed Transacting Parties are satisfactory;

Response: The best indicator of character, competence and standing in the community is the track record of the Transacting Parties. L+M has operated L+M Hospital in New London, Connecticut for over 100 years and is proud of its record with respect to high quality health care services, community education and outreach, disease prevention, and financial performance. Since its acquisition in 2013, Westerly Hospital, under the corporate umbrella of L+M, has seen a significant turnaround in its financial performance, moving from a negative to positive margin through the end of fiscal year 2015[1]. This financial stability has enabled Westerly Hospital to continue to provide much needed health care services to the communities it serves, and has resulted in restored community confidence in the institution. As outlined in the first and second Annual Reports provided by L+M to the Rhode Island Department of Health, L+M and Westerly Hospital met each of the commitments outlined in the Order approving the sale of Westerly Hospital to L+M. Please refer to Exhibit 23(a) for copies of the Annual Reports. Upon consummation of the proposed transaction, L+M and Westerly Hospital will become part of the System. The System's operations continually demonstrate its exemplary character, commitment, competence, and standing in each of its communities, as set forth below.

YNHHSC was formed in 1983 but Yale-New Haven Hospital and its predecessors have been in operation and affiliated with the Yale School of Medicine since 1826. The affiliation with the Yale School of Medicine was formally documented for the first time in 1913. Yale-New Haven Hospital is well known for its high quality care, and commitment to medical and healthcare education and to research. YNHHSC has a track record of successfully integrating community hospitals into its system, having affiliated with Greenwich Hospital in 1997 and Bridgeport Hospital in 1996.

The System has been a leader in the communities it serves through action and visibility. The System's mission calls for it to enable the health of the people it serves and we take that mission to heart. It also recognizes that there are a multitude of factors impacting the health of the community so the System has supported strong initiatives related to housing and education, as well as healthcare.

Yale-New Haven Hospital, for example, is a longstanding supporter of the New Haven Promise program which provides a pathway to college for students that graduate from New Haven high schools. It has supported local schools through literacy programs and mock trials and we have

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[1] please note, however, the recent developments regarding decreases in Westerly Hospital's inpatient volumes described in response to Questions 12 and 14 of this application and that such developments may adversely impact Westerly Hospital's financial position

coordinated school supply drives and hosted health career fairs so that high school students can learn about careers in healthcare.

Yale-New Haven Hospital also has a strong partnership with Habitat for Humanity, constructing homes for local residents in need and provided more than $500,000 in contributions to more than 200 organizations.

Additionally, it holds health fairs, screenings and informational sessions for community organizations throughout our region, from schools to churches, to advance the collective health of the communities it serve. Yale-New Haven Hospital also launched a community needs assessments that led to expansive programs to prevent obesity in cities like Bridgeport and supported farm stands and fresh food initiatives in New Haven.

The System has supported local job growth and creation, partnering with CONNCAT and New Haven Works to develop training programs for local residents so that they may become eligible for jobs within the System. It also sponsors school at work programs to promote educational opportunities within the System's organizations.

These are just a few of the many ways in which the System demonstrates its character, commitment, competence, and standing within the community. It is core to the System's mission, vision and values and will continue to define its approach for the future. Its standing in the community is a critical component of what defines the YNHHSC organization.

b) that sufficient safeguards are included in the proposed conversion to assure the affected community continued access to affordable care;

Response: Attached hereto as Exhibit 23(b), please find documentation describing YNHHSC's Financial Assistance policies (the "FAP"), including the application, eligibility requirements, and information provided to patients. YNHHSC is currently in the process of updating the FAP to ensure continued compliance with I.R.C. 501(r) in accordance with the Affordable Care Act. Following the conversion, Westerly Hospital-specific provisions will be added to the FAP to note Westerly Hospital's obligation to comply with the *Statewide Standard for the Provision of Charity Care* set forth in Section 11.3 of the Rhode Island Department of Health Rules and Regulations Pertaining to Hospital Conversions (the "RI Regulations") and the *Statewide Standard for the Provision of Uncompensated Care* set forth in Section 11.4 of the RI Regulations. Note that the FAP eligibility thresholds are more inclusive than the minimum requirements in the RI Regulations. Accordingly, Westerly Hospital's post-closing charity care policy, along with its status as an enrolled Medicare and Medicaid provider will assure continued access to affordable care in its community.

c) that the new hospital will provide health care and appropriate access with respect to traditionally underserved populations, including racial and ethnic minority populations, in the affected community;

Response: Westerly Hospital is proud of its two (2) year track record, under L+M, of providing healthcare services and access to traditionally underserved populations.

Since its acquisition in 2013, Westerly Hospital has implemented several strategies, consistent with those used in other L+M affiliated entities, to ensure access to care for uninsured and underinsured individuals. First, Westerly Hospital initiated a financial counseling service for patients which is dedicated to helping patients and their families navigate the complex State requirements for Medicaid enrollment as well as guiding them through the hospital's internal charity care process. Also, Westerly Hospital maintains a Charity Care Policy and free bed fund that promotes provision of medically necessary care to all patients regardless of ability to pay. A copy of Westerly Hospital's charity care policy is attached as Exhibit 23(c).

Lastly, as outlined in the response to Question 21 of this application, Westerly Hospital continues to commit substantial resources to provide community benefits commensurate with needs outlined in the CHNA and internal data review processes. Westerly Hospital has and will continually work to assess community needs and respond accordingly with programs and services designed to improve access for all community members including the traditionally underserved.

d) that there will be procedures or safeguards in place to ensure that ownership interests in the new hospital will not be used as incentives for hospital employees or physicians to refer patients to the hospital;

Response: The new hospital will continue to be a non-profit corporation and its sole member will continue to be L+M. Therefore ownership interests in Westerly Hospital will not be available to any third party, including hospital employees or physicians.

e) that the Transacting Parties have made a commitment to ensure the continuation of collective bargaining rights, if applicable, and retention of the workforce;

Response: Section 2.4(c) of the Affiliation Agreement specifically provides that "all current collective bargaining agreements to which the L+M Affiliates are parties as of the Closing Date will remain in full force and effect in accordance with their terms." Accordingly, the Transacting Parties have pledged to continue collective bargaining agreements. Additionally, as mentioned in Question 13 above, staffing levels at Westerly Hospital are anticipated to be maintained commensurate with current levels (as adjusted for volumes).

f) that the Transacting Parties have appropriately accounted for employment needs at the facility and addressed workforce retraining needed as a consequence of any proposed restructuring;

Response: The Transacting Parties do not anticipate any restructuring and therefore work force retraining should be not necessary.

g) that the public interest will be served considering the essential medical services needed to provide safe and adequate treatment, appropriate access and balanced health care delivery to the residents of the state;

Response: The proposed transaction will only enhance Westerly Hospital's ability to provide safe, adequate, and essential medical services to the communities it serves. Community hospitals such as Westerly Hospital and L+M Hospital are finding it increasingly difficult to remain

independent and thus are integrating with larger, financially stable, integrated delivery systems to gain the resources and expertise needed to meet the challenges of health care reform and succeed long into the future. The proposed affiliation will benefit Westerly Hospital and the community by improving access to primary care and advanced specialty services, strengthening Westerly Hospital's ability to retain and recruit the best talent available, increasing access to needed capital to invest in facilities and technologies, improving access to population health expertise and infrastructure, and enhancing Westerly Hospital's financial stability by virtue of being part of a larger health system. Thus, the proposed transaction contributes to a balanced health care delivery system in the state by maintaining Westerly Hospital as vibrant health care provider and resource for Westerly area residents.

h) that issues of market share especially as they affect quality, access, and affordability of services in the proposed conversion are satisfactory.

Response: Residents of Westerly Hospital service area enjoy many options for hospital services including Westerly Hospital, L+M Hospital, William W. Backus Hospital, South County Hospital and the hospitals located in Providence. As a result of the conversion, it is expected that Westerly Hospital will be able to maintain and possibly increase its market share and therefore continue to provide access to Westerly area residents. We believe the conversion should improve quality as the hospital draws upon L+M's now-increased resources through the System. Finally we believe affordability will be maintained as Westerly Hospital continues to provide community hospital services.

24. Please provide copies of the IRS Form 990 H for each of the Transacting Parties and their affiliated hospital (s) for each of the past three years.

Response: Attached hereto as Exhibit 24 are the IRS Form 990H for each of Yale-New Haven Health Services Corporation, Bridgeport Hospital, Greenwich Hospital, Lawrence + Memorial Corporation, Lawrence + Memorial Hospital, and LMW Healthcare, Inc. d/b/a Westerly Hospital.

25. Please provide a list of all agreement of the existing hospital(s) and/or their affiliated medical providers with third party payors.

Response: Attached hereto as Exhibit 25 is a list of contracts that Westerly Hospital and its medical groups and YNHHSC entities have with third party payors.

26. Please confirm that the new hospital will continue to participate in the Rhode Island Cancer Registry and the Rhode Island Health Information Exchange (currentcare) after the implementation of the proposed conversion and, if not, please explain why not.

Response: After the closing, Westerly Hospital will continue to participate in the Rhode Island Cancer Registry and the Rhode Island Health Information Exchange.

27. Please provide a list of all professional memberships/associations and community collaborations that the existing hospital is currently a member or participant and, of those, please identify any that will not be maintained after the implementation of the proposed conversion.

Response: Attached is a list of all professional memberships/associations and community collaborations that Westerly Hospital is currently a member of or a participant in. Westerly Hospital intends to continue all of these memberships and participations after the implementation of the proposed conversion.

Associations/Chambers

Association for Healthcare Philanthropy (AHP)
New England Association for Healthcare Philanthropy (NEAHP)
Westerly-Pawcatuck Chamber of Commerce
Mystic Chamber of Commerce
Charlestown Chamber of Commerce
Eastern CT Chamber of Commerce
Misquamicut Business Association
American Heart Association
The Advisory Board Company
Hospital Association of Rhode Island
American Hospital Association
Center for Healthcare Governance

Partnerships

Westerly Parent Academy
Town of Westerly Planning Department
Wood River Health Services
Ocean Community YMCA

APPENDIX A

ALL APPENDICES MUST BE COMPLETED

APPENDIX A

1. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) at the existing hospital for the last full FY year, for the current budget year and as projected at the new hospital in the first three years after the implementation of the proposal.

Please note: The net patient revenue increases shown between FY 2016 and FY 2017 are due to the combination of volume growth, and independently negotiated and routine CPI-based increases in payer rates. Between FY 2016 and FY 2017, Westerly Hospital's projected growth in outpatient volume was 2.6%, while inpatient volume was expected to grow by 2.1%. Also included in the forecast is increased reimbursement from Medicare which is anticipated to contribute positively to the Hospital's revenue stream for FY 2017. The combination of these factors translated into the net patient revenue growth reflected on chart A-2.

Please note however, as indicated in the response to Questions 12 and 14 of this application, there has been a recent reduction in inpatient volume experienced at Westerly Hospital. As this development is still under evaluation, no recommendations or conclusions have been factored into the projections reflected on chart A-2.

ALL APPENDICES MUST BE COMPLETED

APPENDIX A

1. Please identify the total number of FTEs (full time equivalents) and the associated payroll expense (with fringe benefits) at the existing hospital for the last full FY year, for the current budget year and as projected at the new hospital in the first three years after the implementation of the proposal.

Westerly Hospital
Appendix A
Question 1

	Actual FY 2013*		Actual FY 2014		Actual FY 2015		Budget FY 2016		Projections FY 2017		Projections FY 2018		Projections FY 2019	
Major Category	FTEs	Salary and Benefits	FTEs	Salary and Benefits	FTEs	Salary and Benefits	FTE	Salary and Benefits	FTE	Salary and Benefits	FTE	Salary and Benefits	FTE	Salary and Benefits
Nursing	134.1	4,213,829	134.1	12,022,870	145.7	12,678,006	147.3	12,982,647	147.3	13,177,387	147.3	13,375,047	147.3	13,575,673
PT/OT/ST	17.0	487,413	17.0	1,390,684	14.7	1,294,126	14.8	1,325,222	14.8	1,345,101	14.8	1,365,277	14.8	1,385,756
Clerical/Secretary	43.3	851,364	43.3	2,429,107	40.1	2,206,118	40.5	2,259,129	40.5	2,293,016	40.5	2,327,411	40.5	2,362,322
Housekeeping	26.3	369,646	26.3	1,054,672	25.1	1,017,551	25.3	1,042,002	25.3	1,057,632	25.3	1,073,496	25.3	1,089,599
Respiratory	8.7	262,694	8.7	749,518	8.8	769,801	8.9	788,298	8.9	800,123	8.9	812,125	8.9	824,307
Lab	38.6	939,847	38.6	2,681,566	37.5	2,634,697	37.9	2,698,006	37.9	2,738,476	37.9	2,779,553	37.9	2,821,247
Diagnostics Techs (Radiology	23.3	768,018	23.3	2,191,305	22.3	2,134,134	22.6	2,185,416	22.6	2,218,197	22.6	2,251,470	22.6	2,285,242
Food/Nutrition	19.9	338,666	19.9	966,278	20.2	962,330	20.4	985,454	20.4	1,000,236	20.4	1,015,239	20.4	1,030,468
Main/Security	6.4	87,990	6.4	251,052	6.7	286,630	6.8	293,518	6.8	297,920	6.8	302,389	6.8	306,925
Maintenance	11.8	316,553	11.8	903,188	12.1	944,049	12.3	966,734	12.3	981,235	12.3	995,954	12.3	1,010,893
Case Management	6.1	164,540	6.1	469,465	5.5	463,387	5.5	474,521	5.5	481,639	5.5	488,864	5.5	496,197
OR Techs/Assistants	9.5	207,186	9.5	591,143	10.3	654,933	10.4	670,671	10.4	680,731	10.4	690,942	10.4	701,306
Pharmacy	12.0	370,480	12.0	1,057,052	13.2	1,178,903	13.4	1,207,231	13.4	1,225,339	13.4	1,243,719	13.4	1,262,375
Management	49.5	1,782,449	49.5	5,085,671	53.5	5,554,525	54.1	5,687,995	54.1	5,773,315	54.1	5,859,915	54.1	5,947,814
Medical Records	18.0	377,238	18.0	1,076,332	17.0	1,040,634	17.2	1,065,639	17.2	1,081,624	17.2	1,097,848	17.2	1,114,316
Admitting	12.8	252,624	12.8	720,785	12.6	708,852	12.7	725,886	12.7	736,774	12.7	747,825	12.7	759,043
Other	15.8	311,174	15.8	887,841	16.1	970,679	16.3	994,003	16.3	1,008,913	16.3	1,024,047	16.3	1,039,408
Total	453.0	12,101,713	453.0	34,528,530	461.4	35,499,355	466.5	36,352,372	466.5	36,897,658	466.5	37,451,122	466.5	38,012,889

***FY 2013 partial year 6/1/2013-9/30/2013**

APPENDIX A (CONT.)

2. Please complete the following table for the existing and new hospital for each year indicated.

Question 2	Actual FY 2013*	Actual FY 2014	Actual FY 2015	Budget FY 2016	Projections FY 2017	Projections FY 2018	Projections FY 2019
REVENUES							
Net Patient Revenue	25,398,974	74,974,390	73,400,706	73,580,095	77,115,114	78,125,284	78,842,496
Other	700,630	2,963,560	2,615,643	1,627,759	1,627,759	1,627,759	1,627,759
Total Revenue	26,099,604	77,937,950	76,016,349	75,207,854	78,742,873	79,753,043	80,470,255
EXPENSES							
Payroll w/Fringes	12,101,713	34,528,530	35,499,355	36,352,373	36,897,659	37,451,123	38,012,890
Bad Debt	2,038,188	4,758,600	3,144,703	3,152,388	3,303,839	3,347,117	3,377,845
Supplies	2,923,626	10,455,939	10,643,708	10,919,644	11,083,438	11,083,438	11,083,438
Office Expenses	54,274	132,346	129,276	132,627	134,617	134,617	134,617
Utilities	427,414	1,709,920	1,316,196	1,335,939	1,355,978	1,376,318	1,396,962
Insurance	370,448	1,078,351	929,390	943,331	957,481	971,843	986,421
Interest	120,409	419,698	416,000	416,000	416,000	416,000	416,000
Leasehold Expenses	44,718	169,263	160,120	160,120	160,120	160,120	160,120
Depreciation/Amortization	1,973,650	4,347,360	4,805,851	5,422,687	6,022,687	6,022,687	6,022,687
Other-Purchased Services	5,341,642	15,344,075	14,870,827	13,504,762	13,707,333	13,912,943	14,121,638
Other	241,527	1,109,050	1,042,360	972,010	981,730	991,548	1,001,463
Total Expenses	25,637,609	74,053,132	72,957,786	73,311,881	75,020,882	75,867,755	76,714,081
Operating Profit	461,995	3,884,818	3,058,563	1,895,973	3,721,991	3,885,288	3,756,174
Admissions	1,109	2,939	2,928	3,000	3,064	3,096	3,126
ED visits	7,374	21,420	21,104	22,154	22,154	22,154	22,154

***FY 2013 partial year 6/1/2013-9/30/2013**

APPENDIX A (CONT.)

3. Please complete the table below for the existing and new hospital for each year indicated.

Westerly Hospital
Appendix A
Question 3 Gross Revenue

	Actual FY 2013*		Actual FY 2014		Actual FY 2015		Budget FY 2016		Projections FY 2017	
Payor Source:										
Medicare	29,813,812	44.7%	96,295,462	45.4%	100,333,861	45.50%	103,659,165	45.5%	108,639,277	45.5%
Medicaid	7,154,104	10.7%	22,693,777	10.7%	26,461,678	12.0%	27,338,681	12.0%	28,652,117	12.0%
Blue Cross	16,026,760	24.0%	50,265,767	23.7%	52,482,327	23.8%	54,221,717	23.8%	56,826,699	23.8%
Commercial	4,926,451	7.4%	15,472,731	7.3%	14,994,951	6.8%	15,491,919	6.8%	16,236,200	6.8%
HMO's	5,668,090	8.5%	17,669,024	8.3%	17,861,632	8.1%	18,453,610	8.1%	19,340,179	8.1%
Self Pay	1,816,588	2.7%	5,724,603	2.7%	4,123,611	1.9%	4,260,278	1.9%	4,464,955	1.9%
Other	1,323,633	2.0%	4,143,939	2.0%	4,255,920	1.9%	4,396,971	1.9%	4,608,215	1.9%
Total	66,729,438	100.0%	212,265,303	100.0%	220,513,981	100.0%	227,822,341	100.0%	238,767,642	100.0%
Charity Care	187,182	0.20%	398,246	0.20%	195,369	0.10%	199,777	0.10%	209,375	0.10%	212,118	0.10%	214,065	0.10%

*FY 2013 partial year 6/1/2013-9/30/2013 based on date of L+M acquisition of Westerly Hospital

**Charity Care does not include bad debt, and is based on costs (not charges).

4. Please complete the table below for the new hospital's substantial capital needs.

Capital Needs	Source of Funding for Capital Needs	Cost of Satisfying Capital Needs	Date of Projected Completion
Not Applicable*			

*Note also that the proposed conversion will not alter the usual capital budgeting process at Westerly Hospital.

APPENDIX B

APPENDIX B

Please provide the total cost necessary to implement this proposal and allocate this amount to the sources of funds categories listed below:

TOTAL PROJECT COST: **None***

SOURCE OF FUNDS	AMOUNT
a. Funded depreciation	$_____
b. Other restricted funds (specify)	_____
c. Unrestricted funds (specify)	_____
d. Owner's equity	_____
e. Cash (If different from owner's equity)	_____
f. Unrestricted donations or gifts	_____
g. Restricted donations or gifts	_____
h. Other non-debt funds (specify)	_____
i. Sub-Total Equity Funds	_____
j. Subsidized loan (e.g., FHA etc.)	_____
k. Tax-exempt bonds (specify)	_____
l. Conventional mortgage	_____
m. Lease or rental	_____
n. Other debt funds	_____
o. Sub-Total Debt Funds	_____
p. Total Source of Funds	_____

* should equal the response for line "p"

** Equity means non-debt funds contributed towards the capital cost related to a conversion of a hospital which funds are free and clear of any repayment or liens against the assets of the proposed owner and/or licensee and that result in a like reduction in the portion of the capital cost that is required to be financed or mortgaged.

*** If debt financing is indicated, please complete Appendix C.

APPENDIX C

APPENDIX C

Debt Financing

Name of Acquiror: Yale-New Haven Health Services Corporation

1. Describe the proposed debt by completing the following: Not applicable.

   (a) type of debt contemplated;
   (b) term (month or years);
   (c) principal amount borrowed;
   (d) probable interest rate;
   (e) points, discounts, origination fees;
   (f) likely security;
   (g) disposition of property (if a lease is revoked);
   (h) prepayment penalties or call features;
   (i) front-end costs (e.g. underwriting spread);
   (j) feasibility study, legal and printing expense;
   (k) points, etc.; and
   (l) debt service reserve fund.

Response: Not applicable

2. If this proposal involves refinancing of existing debt of the existing hospital, please indicate the original principal, the current balance, the interest rate, the years remaining on the debt and a justification for the refinancing contemplated.

Response: This proposal does not involve refinancing of existing debt of existing hospital.

3. Please present a debt service schedule for the chosen method of financing, which clearly indicates the total amount borrowed and the total amount to be repaid per year. Of the amount to be repaid per year, the total dollars applied to principal and total dollars applied to interest must be shown.

Response: Not applicable

4. Please provide an annual cash flow statement for the new hospital for the period between approval of the application and through the third full FY year after implementation of the proposed conversion.

Response: Not applicable

APPENDIX D

APPENDIX D

Elimination or Reduction in Services

Please provide responses to the following for each health service that will be eliminated, or significantly reduced at the new hospital during the first 3 years at the new hospital following the implementation of the proposed conversion. (Please replicate as necessary.)

1. Description of the services to be reduced or eliminated;

   Response: None

2. The proposed change(s) in hours of operation, if any;

   Response: Not applicable

3. The proposed change(s) in staffing, if any;

   Response: None

4. The documented length of time the services to be reduced or eliminated have been available at the facility;

   Response: Not applicable

5. The number of patients utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

   Response: Not applicable

6. Data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

   Response: Not applicable

7. The geographical area for which the facility provides services; and

   Response: Southeastern Connecticut and Southwestern Rhode Island

8. Identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:

   (a) Access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;

   Response: Not applicable.

(b) The delivery of such services on the affected community in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);

Response: Not applicable as there are no services to be rendered at elimination.

(c) Other licensed hospitals or health care providers in the affected community or cities and towns; and

Response: Not applicable.

(d) Other licensed hospitals or health care providers in the state.

Response: Not applicable as there are no services to be reduced or eliminated

Exhibit 2

EXHIBIT 2
INDEX

DOCUMENT TITLE	BATES NUMBERS
Brief Summary of Amendments to Bylaws and Certificates/Articles of Incorporation	DOHP0001A001-A002
Redlined- YNHHSC Bylaws	DOHP0001A003-A014
Redlined- YNHHSC Certificate of Incorporation	DOHP0001A015-A018
Redlined- Lawrence + Memorial Corporation Bylaws	DOHP0001A019-A048
Redlined- Lawrence + Memorial Corporation Certificate of Incorporation	DOHP0001A049-A054
Redlined- LMW Healthcare, Inc. d/b/a Westerly Hospital Bylaws	DOHP0001A055-A088
Redlined- Lawrence + Memorial Hospital, Inc. Bylaws	DOHP0001A089-A117
Redlined- Lawrence + Memorial Hospital, Inc. Certificate of Incorporation	DOHP0001A118-A121
YNHHSC Certificate of Incorporation	Current: DOHP0003-0010 Proposed: DOHP0011-0014
YNHHSC Bylaws	Proposed: DOHP0015-0026 Current: DOHP0027-0038
Lawrence + Memorial Corporation Certificate of Incorporation	Current: DOHP0039-0047 Proposed: DOHP0064-0067
Lawrence + Memorial Corporation Bylaws	Current: DOHP0048-0063 Proposed: DOHP0068-0084
Yale-New Haven Hospital, Inc. Certificate of Incorporation	Current: DOHP0085-0089 Proposed: N/A
Yale-New Haven Hospital, Inc. Bylaws	Current: DOHP0090-0106 Proposed: N/A
Bridgeport Hospital Certificate of Incorporation	Current: DOHP0107-0114 Proposed: N/A
Bridgeport Hospital Bylaws	Current: DOHP0115-0131 Proposed: N/A

Greenwich Hospital Certificate of Incorporation	Current: DOHP0132-0138 Proposed: N/A
Greenwich Hospital Bylaws	Current: DOHP0139-0155 Proposed: N/A
Lawrence + Memorial Hospital, Inc. Certificate of Incorporation	Current: DOHP0156-0162 Proposed: DOHP0177-0179
Lawrence + Memorial Hospital, Inc. Bylaws	Current: DOHP0163-0176 Proposed: DOHP0180-0197
LMW Healthcare, Inc. d/b/a Westerly Hospital Articles of Incorporation	Current: DOHP0198-0200 Proposed: DOHP0218-0220
LMW Healthcare, Inc. d/b/a Westerly Hospital Bylaws	Current: DOHP0201-0216 Proposed: DOHP221-237

Exhibit 2

Brief Summary of Amendments to Bylaws and Certificates/Articles of Incorporation by Entity

1. **Yale-New Haven Health Services Corporation**

   A. Certificate of Incorporation. The proposed Amended and Restated Certificate of Incorporation contain revisions to add references to Lawrence + Memorial Corporation.

   B. Bylaws. The proposed Amended and Restated Bylaws contain revisions to update the formatting and use of defined terms.

2. **Lawrence + Memorial Corporation**

   A. Certificate of Incorporation. The proposed Amended and Restated Certificate of Incorporation contains revisions that name YNHHSC as the sole member of Lawrence + Memorial Corporation, reference Lawrence + Memorial Corporation's participation in the Yale New Haven Health System, and change the use of certain defined terms to avoid confusion with similar terms already used within the YNHHSC network.

   B. Bylaws. The proposed Amended and Restated Bylaws contain revisions that name YNHHSC as the sole member of Lawrence + Memorial Corporation and remove the provisions regarding a member's term and removal. The revisions also change the governance from a board of directors of seven (7) to sixteen (16) directors to a board of trustees of eight (8) to seventeen (17) trustees. The amendments also grant YNHHSC certain authority and approval rights, which are set forth in Exhibit A and Exhibit B to the Bylaws. The board of trustees will consist of elected members comprised of up to the following:

      (1) Physician representative from Northeast Medical Group, Inc.
      (1) Health care provider representative from L+M Hospital, Inc.
      (1) Health care provider representative from Westerly Hospital
      (6) Community trustees from the L+M Hospital service area
      (3) Community trustees from Westerly Hospital service area

      Additionally, the board of trustees will consist of ex-officio members comprised of the following:

      YNHHSC President/CEO
      L+M Corporation President/CEO
      L+M Hospital Board Chair
      Westerly Hospital Board Chair
      Visiting Nurse Association of Southeastern Connecticut, Inc. Board Chair

This board representation is consistent with L+M Corporation's pre-affiliation board structure except for the addition of a YNHHSC representative to the board and change in description of the L&M Physician Association representative (since LMPA will be merged into Northeast Medical Group as part of the closing transactions).

3. **LMW Healthcare, Inc. d/b/a Westerly Hospital**

A. Articles of Incorporation. The proposed amendment to the Articles of Incorporation of LMW Healthcare, Inc. makes it clear that LMW Healthcare, Inc. is a member of the Yale New Haven Health System.

B. Bylaws. The proposed Amended and Restated Bylaws contain revisions that grant YNHHSC and Lawrence + Memorial Corporation certain authority and approval rights, which are set forth in Exhibit A and Exhibit B to the Bylaws. The board of trustees remains responsible for the appointment, organization, and activities of the Westerly Hospital Medical Staff. Like the changes to the Lawrence + Memorial Corporation Bylaws, the governing body is changed from a board of directors of three (3) to eleven (11) members to a board of trustees of six (6) to twelve (12) members. The board of trustees will consist of certain elected members that "represent a cross section of major segments of the community served by [Westerly Hospital]..." The board of trustees shall also consist of certain ex-officio trustees as follows:

YNHHSC President/CEO
Lawrence + Memorial Corporation, Inc. President
President of Westerly Hospital
President of Westerly Hospital Medical Staff
Vice President of Westerly Hospital Medical Staff

This board representation is consistent with LMW Healthcare's pre-affiliation board structure with the addition of a YNHHSC representative to the board.

4. **Lawrence + Memorial Hospital, Inc.**

A. Articles of Incorporation. The proposed amendment to the Articles of Incorporation of Lawrence + Memorial Hospital, Inc. makes it clear that Lawrence + Memorial Hospital, Inc. is a member of the Yale New Haven Health System.

B. Bylaws. The proposed Amended and Restated Bylaws contain revisions that grant YNHHSC and Lawrence + Memorial Corporation certain authority and approval rights, which are set forth in Exhibit A and Exhibit B to the Bylaws. The board of trustees remains responsible for the appointment, organization, and activities of the L+M Hospital Medical Staff. Also, the governing body is changed from a board of directors of five (5) to eleven (11) members to a board of trustees of six (6) to twelve (12) members.

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of ~~May 16, 2014~~ _____, 201__

~~Page~~

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES		1
Section 1.1	Name	1
Section 1.2	General Purposes	1
ARTICLE II. MEMBERSHIP		1
ARTICLE III. BOARD OF TRUSTEES		1
Section 3.1	Powers and Duties	1
Section 3.2	Composition	1
Section 3.3	Number	2
Section 3.4	Election of Trustees	2
Section 3.5	Term and Term Limits	2
Section 3.6	Resignation	3
Section 3.7	Removal	3
Section 3.8	Vacancies	3
Section 3.9	Meetings	4
Section 3.10	Notice of Meetings	4
Section 3.11	Waiver of Notice	4
Section 3.12	Action by Unanimous Written Consent	4
Section 3.13	Participation by Conference Call	4
Section 3.14	Quorum and Voting	4
ARTICLE IV.	OFFICERS	5
Section 4.1	Officers	5
Section 4.2	Election and Term of Office	5
Section 4.3	Powers	5
Section 4.4	Resignation and Removal	6
Section 4.5	Vacancies	6
Section 4.6	Other Officers	6
ARTICLE V. COMMITTEES		6
Section 5.1	Classification	6
Section 5.2	Appointment of Committee Members	~~7~~6
Section 5.3	Committee Governance	7
Section 5.4	Standing Committees	7
Section ~~5.5~~5.6	Other Committees	8
Section ~~5.6~~5.7	Powers of Committees	8
ARTICLE VI. INDEMNIFICATION		~~9~~8
ARTICLE VII. CONFLICTS OF INTEREST		~~9~~8
ARTICLE VIII. MISCELLANEOUS PROVISIONS		9
Section 8.1	Fiscal Year	9
Section 8.2	Execution of Deeds and Contracts	9
Section 8.3	Execution of Negotiable Instruments	9
Section 8.4	Related Corporations	9
ARTICLE IX. AMENDMENTS		~~10~~9

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
AMENDED AND RESTATED BYLAWS

~~ARTICLE I.~~
ARTICLE I. NAME AND GENERAL PURPOSES

~~Section 1.1~~ **Section 1.1 Name**. The name of the corporation is **Yale-New Haven Health Services Corporation** (the "Corporation").

~~Section 1.2~~ **Section 1.2 General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

~~ARTICLE II.~~ ARTICLE II. MEMBERSHIP

The Corporation shall have no members and shall be governed by a self-perpetuating Board of Trustees (the "Board") as set forth herein.

~~ARTICLE III.~~ ARTICLE III. BOARD OF TRUSTEES

~~Section 3.1~~ **Section 3.1 Powers and Duties**. The Board shall have charge, control and management of the affairs, property and funds of the Corporation. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation.

~~Section 3.2~~ **Section 3.2 Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

~~(a)~~ (a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Board for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the ~~community~~communities and geographies served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

~~(b)~~ (b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

~~(i)~~ (i) the President/Chief Executive Officer of the Corporation;

~~(ii)~~ (ii) the President of Yale University;

~~(iii)~~ (iii) the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.;

~~(iv)~~ (iv) the Chair of the Board of Trustees of Bridgeport Hospital;

~~(v)~~ (v) the Chair of the Board of Trustees of Greenwich Hospital.

~~Section 3.3~~ Section 3.3 Number. The Board shall consist of up to twenty-one (21) Trustees, inclusive of Ex Officio Trustees.

~~Section 3.4~~ Section 3.4 Election of Trustees. At the annual meeting of the Board, the Board shall elect successors to the Elected Trustees whose terms are then expiring. The Board shall elect such successors consistent with the following:

~~(a)~~ (a) Nine (9) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.

~~(b)~~ (b) Three (3) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the President of Yale University; provided that (x) no more than two (2) Trustees nominated and elected in accordance with this clause shall be employees of Yale University; and (y) if any Trustee nominated in accordance with this clause is an employee of Yale University, then such Trustee shall hold an officer position at Yale University throughout the term of such individual's service as a Trustee.

~~(c)~~ (c) All other Elected Trustees shall be elected from among the nominees presented by the Nominating and Governance Committee.

In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

~~Section 3.5~~ Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Board at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Board at which they were elected or at such later date as may be established by the Board and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

~~(a)~~ (a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if:

~~(i)~~ (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or

~~(ii)~~ (ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

~~(b)~~ (b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided, however, that a Trustee may be re-elected for one or more additional consecutive terms if:

~~(i)~~ (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or

~~(ii)~~ (ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

~~Section 3.6~~ **Section 3.6 Resignation**. Any Elected ~~trustee~~Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

~~Section 3.7~~ **Section 3.7 Removal**. One or more Elected Trustees may be removed from the Board with cause by action of the Board. Action to remove an Elected Trustee may be taken at any meeting of the Board, provided that the notice of the meeting at which such action will be voted on shall state that the purpose or one of the purposes, of the meeting is removal of the Trustee.

~~Section 3.8~~ **Section 3.8 Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled by the Board in accordance with Section 3.4 of these Bylaws. If the vacancy results from the death, resignation or removal of a Trustee elected on nomination of Yale-New Haven Hospital, Inc., Bridgeport Hospital, Greenwich Hospital or Yale University, the institution that nominated the Trustee who died, resigned or was removed shall submit a name of a replacement Trustee consistent with Section 3.4. In the event that the remaining Trustees on the Board do not constitute a quorum, a vacancy may be filled by the concurring vote of a majority of such remaining Trustees. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

~~Section 3.9~~ **Section 3.9 Meetings**.

~~(a)~~ **(a) Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair or the President/Chief Executive Officer shall designate.

~~(b)~~ **(b) Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair or the President/Chief Executive Officer shall designate.

~~(c)~~ **(c) Special Meetings**. Special meetings of the Board may be called at any time by the Chair or the President/Chief Executive Officer and shall be called upon the written request of any three (3) Trustees.

~~Section 3.10~~ **Section 3.10 Notice of Meetings**. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice.

~~Section 3.11~~ **Section 3.11 Waiver of Notice**. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

~~Section 3.12~~ **Section 3.12 Action by Unanimous Written Consent**. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

~~Section 3.13~~ **Section 3.13 Participation by Conference Call**. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

~~Section 3.14~~ **Section 3.14 Quorum and Voting**. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of

the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board consistent with Article VII.

~~ARTICLE IV.~~ ARTICLE IV. OFFICERS

~~Section 4.1~~ **Section 4.1 Officers**. The officers of the Corporation shall consist of a President/Chief Executive Officer, a Chair, ~~one or more Vice Chairs,~~ a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair~~:~~ and any Vice Chair ~~and the Secretary~~ shall be members of the Board.

~~Section 4.2~~ **Section 4.2 Election and Term of Office**. Employees of the Corporation who are designated as officers shall be appointed by the Board and shall hold office at the pleasure of the Board. Officers who are not paid employees of the Corporation shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and ~~till~~fill such other offices as it deems necessary consistent with Section 4.6.

~~Section 4.3~~ **Section 4.3 Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

~~(a)~~ (a) **President/Chief Executive Officer**. The President/Chief Executive Officer shall be the chief executive officer of the Corporation.

The President/Chief Executive Officer shall be a person who in the judgment of the Board has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, employees and the community.

The President/Chief Executive Officer shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President/Chief Executive Officer shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President/Chief Executive Officer shall be defined in a written statement adopted by the Board.

The President/Chief Executive Officer shall be a voting member of all standing committees except as otherwise specified in these Bylaws. In the absence of the Chair and the Vice Chair, or if there be no Chair or Vice Chair, the President/Chief Executive Officer shall preside at all meetings of the Board.

The President/Chief Executive Officer shall serve, as long as he or she is appointed by the Board of Yale-New Haven Hospital, Inc., as the chief executive officer of Yale-New Haven Hospital, Inc.

~~(b)~~ (b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall perform such other duties as the Board may from time to time prescribe.

~~(c)~~ (c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

~~(d)~~ (d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

~~(e)~~ (e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

~~Section 4.4~~ **Section 4.4 Resignation and Removal**.

~~(a)~~ (a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

~~(b)~~ (b) The Board may remove from office any officer with or without cause. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

~~Section 4.5~~ **Section 4.5 Vacancies**. In the case of the death, resignation or removal of any officer, the vacancy may be filled by the Board for the unexpired term.

~~Section 4.6~~ **Section 4.6 Other Officers**. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

~~ARTICLE V.~~ ARTICLE V. COMMITTEES

~~Section 5.1~~ **Section 5.1 Classification**. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

~~Section 5.2~~ **Section 5.2 Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee

members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Each committee shall be chaired by a member of the Board.

~~Section 5.3~~ **Section 5.3 Committee Governance**.

~~(a)~~ **(a) Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

~~(b)~~ **(b) Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

~~Section 5.4~~ **Section 5.4 Standing Committees**.

~~(a)~~ **(a) Finance Committee**. The Finance Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include at least one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. Notwithstanding anything herein to the contrary, (i) at least one member of the Finance Committee shall have financial expertise, as determined by the Board; and (ii) a majority of the members of the Finance Committee shall be Trustees. The Finance Committee shall have such duties as are established by the Board and set forth in the Finance Committee charter. These duties shall include, but not be limited to, fact-finding for the Board on matters relating to the financial administration of the Corporation and its affiliates, examination and analysis of financial reports of the Corporation and its affiliates, and preparation of annual operating and capital budgets for presentation to the Board that take into account the financial plans for the Corporation and its affiliates.

~~(b)~~ **(b) Audit Committee**. The Audit Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee. Notwithstanding anything herein to the contrary, (i) at least one member of the Audit Committee shall have financial expertise, as determined by the Board; (ii) a majority of the members of the Audit Committee shall be Trustees; and (iii) no member of the Audit Committee shall have any material business relationship (including but not limited to an employment relationship) with the Corporation or any of its affiliates. The Audit Committee shall have such duties as are established by the Board and set forth in the Audit Committee charter. These duties shall include, but not be limited to, monitoring the integrity of the financial statements of the Corporation and its affiliates; recommending to the Board an independent auditor for the Corporation and its affiliates; reviewing the outside auditor's independence, qualifications and

performance; meeting with the independent auditor from time to time to review financial results and controls of the Corporation and its affiliates; overseeing the effectiveness of internal controls of the Corporation and its affiliates.

~~(c)~~ (c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall consist of not fewer than five (5) nor more than eight (8) members of whom the following shall be Ex Officio members: (i) the Chair of the Board of Yale-New Haven Hospital; (ii) the President of Yale University; (iii) the President/Chief Executive Officer of the Corporation; (iv) the Chair of the Board of Bridgeport Hospital; and (v) the Chair of the Board of Greenwich Hospital. Ex Officio members shall be counted in determining a quorum and shall have full voting rights. All other members shall be elected by the Board subject to the consent of the Chair of the Board of Yale-New Haven Hospital and at least one of such additional members shall be a member of the Board of Trustees of Yale-New Haven Hospital, Inc. The Nominating and Governance Committee shall nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all other standing committees. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

~~(d)~~ (d) **System Investment Committee**. The System Investment Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. At all times, a majority of the members of the System Investment Committee shall be Trustees. The System Investment Committee shall have such duties as are delegated to it by the Board. These duties include oversight of investment activities of the Corporation.

~~Section 5.5~~ **Section 5.6 Other Committees**. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

~~Section 5.6~~ **Section 5.7 Powers of Committees**. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

~~ARTICLE VI.~~ ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

~~ARTICLE VII.~~

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Connecticut Revised Nonstick Corporation Act, as such act may be amended from time to time (the "Nonstock Act") related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

~~ARTICLE VIII.~~

ARTICLE VIII. MISCELLANEOUS PROVISIONS

~~Section 8.1~~ **Section 8.1 Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

~~Section 8.2~~ **Section 8.2 Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President/Chief Executive Officer or such other officers or officers as may be specified by the Board or authorized by the President/Chief Executive Officer.

~~Section 8.3~~ **Section 8.3 Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President/Chief Executive Officer or such officer or officers of the Corporation as the Board may specify from time to time.

~~Section 8.4~~ **Section 8.4 Related Corporations**. The Corporation is nonprofit and shall not engage directly in activities for profit. It may, however, from time to time organize and control, through stock ownership or otherwise, one or more corporations organized and operated for profit. In considering the appropriateness of organizing or controlling corporations organized and operated for profit, the Corporation shall give principal consideration to corporations engaged in activities which relate to health care or which directly or indirectly support, advance or contribute to the purposes and objectives of the Corporation and its affiliates that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time. The Board shall establish guidelines, consistent with the provisions of this Section, for consideration of

activities which might suitably be developed through for profit corporations controlled by the Corporation.

~~ARTICLE IX.~~ ARTICLE IX. AMENDMENTS

These Bylaws may be amended, altered, or repealed at any meeting of the Board by a two-thirds vote of the Trustees present and voting, a quorum being present, provided that the general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice.

Notwithstanding anything herein to the contrary:

~~(i)~~ (i) any amendment to reduce or alter the number, conditions of office, or terms of Trustees who either (x) are required to be trustees of Yale-New Haven Hospital, Inc. or (y) are nominated for election by the Chair of the Board of Yale-New Haven Hospital, Inc., shall be subject to approval by at least a majority of the following Trustees: the Chair of the Board of Yale-New Haven Hospital, Inc. and all Trustees nominated by the Chair of the Board of Yale-New Haven Hospital, Inc.

~~(ii)~~ (ii) any amendment to reduce or alter (x) the number, conditions of office, or terms of Trustees who serve Ex Officio by virtue of his or her position with Bridgeport Hospital or Greenwich Hospital or (y) the rights of Bridgeport Hospital or Greenwich Hospital to have a representative on certain enumerated committees of the Board, shall be subject to approval by a two-thirds vote of the Trustees present and voting, a quorum being present, and to approval by the Ex Officio Trustee representing the affected hospital(s).

~~(iii)~~ (iii) any amendment, alteration or repeal of these Bylaws shall be consistent with the Affiliation Agreement between the Corporation and Yale University dated June 25, 1999 and any amendments thereto.

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

1. The name of the corporation is YALE-NEW HAVEN HEALTH SERVICES CORPORATION.

2. The nature of the activities to be conducted, or the purposes to be promoted or carried out by the corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Code (as defined in paragraph 8 hereof) and shall include the following:

A. To benefit and carry out the purposes of, to perform the functions of, and uphold, promote and further the welfare, programs and activities of an integrated health care delivery system known as the Yale New Haven Health System (the "System") and its affiliates, including Bridgeport Hospital ~~("BH")~~, Greenwich Hospital ~~("GH")~~, Yale-New Haven Hospital ~~of New Haven, Connecticut ("YNHH")~~, Lawrence + Memorial Corporation, Northeast Medical Group, Inc. ~~("NEMG")~~ and such other organizations as may become affiliates of the System from time to time (collectively, the "YNHHS Members");

B. To engage directly in, and collaborate with, ~~BH, GH and YNHH and with NEMG~~the YNHHS Members and Yale University and other hospitals and health care institutions and other organizations in, the initiation, development and maintenance of programs directed toward improving the efficiency and reducing the cost of health care services while maintaining a high quality of such care;

C. To collaborate with Yale University and with other colleges and schools in the initiation, development and maintenance of educational programs for health professionals and for the public, including programs of medical and nursing education, continuing education, graduate medical education and community health education;

D. to collaborate with ~~BH, GH and YNHH~~the YNHHS Members, with Yale University and with other hospitals, health care institutions, colleges and schools in the initiation, development and maintenance of programs of scientific research related to the care of the sick and injured;

E. To initiate, develop, operate and maintain, directly and in collaboration with ~~BH, GH and YNHH~~the YNHHS Members, and with other hospitals and health care institutions and organizations, programs for the delivery of health care services through one or more separate corporations;

F. To acquire, improve, hold and lease any real or personal property useful to the accomplishment of the purposes of this corporation;

G. To own and operate facilities, directly and in collaboration with ~~BH, GH and YNHH~~the YNHHS Members, and with other hospitals and health care institutions and organizations, to achieve the purposes of the corporation;

H. To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of this corporation; and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

I. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Act in furtherance of the foregoing.

3. The corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

4. The corporation shall have no Members, and the corporation shall be operated under the management of a Board of Trustees.

5. The Board of Trustees shall be composed of two designations of trusteeships, Elected Trustees and Ex Officio Trustees, with the trustees to be elected as provided in the Bylaws. Ex Officio Trustees may be counted in determining a quorum and have the right to vote as shall be provided in the Bylaws. As may be further provided in the Bylaws, the terms of Elected Trustees may be staggered by dividing the Elected Trustees into groups so that approximately an equal number of such Trustees have terms that expire each year.

6. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the corporation's trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

7. Upon any dissolution or termination of the existence of the corporation, all of its property and assets shall, after payment of the lawful debts of the corporation and the expenses of its dissolution or termination, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Bridgeport Hospital, Greenwich Hospital ~~and~~, Yale-New Haven Hospital, Lawrence + Memorial Corporation, and Northeast Medical Group, Inc., provided they

shall then qualify as exempt organizations under Section 501(c)(3) of the Code, in such proportions as the Board of Trustees may deem appropriate consistent with the relative financial and other contributions of each to the corporation, and to such other charitable, scientific or educational organizations qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

8. References to sections of the Code shall be deemed references to the Internal Revenue Code of 1986, as the same may be amended from time to time, and to the corresponding provisions of any future United States Internal Revenue Law.

9. In addition to, and not in derogation of, any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the compensation received by the Trustee for serving the corporation during the year of the violation if such breach did not (1) involve a knowing and culpable violation of law by the Trustee, (2) enable the Trustee or an associate as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (3) show a lack of good faith and conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees of the corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a Trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 10. The corporation shall provide its Trustees with the full amount of indemnification that the corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to Trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the corporation shall indemnify its Trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (1) involved a knowing and culpable violation of law by the Trustee, (2) enabled the Trustee or an associate to receive an improper personal economic gain, (3) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation.

The corporation may indemnify and advance expenses to each officer, employee or agent of the corporation who is not a Trustee, or who is a Trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the

corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

~~AMENDED AND RESTATED BYLAWS~~

~~OF~~

LAWRENCE + MEMORIAL CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201_

~~245035v5~~

TABLE OF CONTENTS

****

ARTICLE I. NAME AND GENERAL PURPOSES		1
Section 1.1	Name	1
Section 1.2	General Purposes	1
ARTICLE II. MEMBERSHIP		1
Section 2.1	Member	1
Section 2.2	Rights, Powers and Privileges	1
Section 2.3	Liability and Reimbursement of Expenses	2
ARTICLE III. BOARD OF TRUSTEES		2
Section 3.1	Powers and Duties	2
Section 3.2	Composition	2
Section 3.3	Number	3
Section 3.4	Election of Trustees	3
Section 3.5	Term and Term Limits	3
Section 3.6	Resignation	4
Section 3.7	Removal	4
Section 3.8	Vacancies	4
Section 3.9	Meetings	4
Section 3.10	Notice of Meetings	5
Section 3.11	Waiver of Notice	5
Section 3.12	Action by Unanimous Written Consent	5
Section 3.13	Participation by Conference Call	5
Section 3.14	Quorum and Voting	5
ARTICLE IV. OFFICERS		6
Section 4.1	Officers	6
Section 4.2	Election and Term of Office	6
Section 4.3	Powers	6
Section 4.4	Resignation and Removal	7
Section 4.5	Vacancies	7
Section 4.6	Other Officers	7
ARTICLE V. COMMITTEES		7
Section 5.1	Classification	7
Section 5.2	Appointment of Committee Members	7
Section 5.3	Committee Governance	8
Section 5.4	Standing Committees	8
Section 5.6	Other Committees	9
Section 5.7	Powers of Committees	9
ARTICLE VI. INDEMNIFICATION		9
ARTICLE VII. CONFLICTS OF INTEREST		9
ARTICLE VIII. MISCELLANEOUS PROVISIONS		10
Section 8.1	Fiscal Year	10

Section 8.2 Execution of Deeds and Contracts 10
Section 8.3 Execution of Negotiable Instruments 10
ARTICLE IX. AMENDMENTS 10
EXHIBIT A 11
EXHIBIT B 13

~~ARTICLE 1~~

~~NAME; PURPOSE; DEFINITIONS~~

LAWRENCE + MEMORIAL CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section ~~1.01.~~ 1.1 Name. The name of the corporation is **Lawrence + Memorial Corporation** (the "Corporation").

Section ~~1.02. Purpose~~1.2 General Purposes. The purposes of the Corporation ~~is organized and~~ shall be ~~operated for the purposes~~as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

~~Section 1.03. Definitions. The following terms used in these Bylaws shall have the following meanings:~~

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member").

~~(a) "Act" shall mean~~**Section 2.2 Rights, Powers and Privileges**. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act~~, as amended from time to time.~~ ~~(b) "Certificate of Incorporation" shall mean the Corporation's certificate of incorporation filed with the Connecticut Secretary of the State, as the same~~ as may be amended from time to time~~.~~ (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

~~(c) "Hospitals" shall mean L+M Hospital and Westerly Hospital.~~

~~(d) "L+M Hospital" shall mean Lawrence + Memorial Hospital, Inc.~~

~~(e) "President and CEO" shall mean the President and Chief Executive Officer of the Corporation;~~

(f) "Subsidiary" or "Subsidiaries" shall mean any entity directly or indirectly controlled by the Corporation. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power by contract or otherwise. "Controlled" or "Controlling" have correlative meanings. Without limiting the foregoing, each of the following entities shall be considered a Subsidiary: L+M Hospital; Westerly Hospital; L+M Physician Association, Inc.; and Visiting Nurse Association of Southeastern Connecticut, Inc. ("VNASC").

(g) "System" shall mean the comprehensive and integrated health care delivery system operated by the Corporation and its Subsidiaries.

(h) "Westerly Hospital" shall mean LMW Healthcare, Inc., doing business as The Westerly Hospital.

ARTICLE II

MEMBERS

Section 2.01. Classes of Members. The Corporation shall have only one class of members (the "Members"), consisting of not more than two hundred twenty-five (225) individuals elected to membership in accordance with these Bylaws (the "Elected Members"), and, in addition, the following ex officio Members: the President and CEO; the President of the L+M Hospital Medical Staff; the President of the Westerly Hospital Medical Staff; the Vice President of the Medical Staff of each of the Hospitals; a representative at large of the Medical Staff of each of the Hospitals (who ordinarily shall be the immediate past President or a former President of each medical staff); the Mayor of the City of New London; the Mayors of each of the Towns of Groton and Ledyard; the First Selectman of each of the Towns of East Lyme, Lyme, Montville, North Stonington, Old Lyme, Salem, Stonington and Waterford; the Superintendent of the United States Coast Guard Academy in New London; the Commanding Officer of the Naval Hospital in Groton, and the Town Manager of the Town of Westerly, Rhode Island (the "Ex-Officio Members"). Elected Members shall be individuals who reside or work in or around the areas served by the Hospitals, who have an interest in furthering the purposes of the Corporation and the System and who are willing and continue to meet the requirements of

~~Members, which includes but is not limited to attendance at meetings. An Elected Member shall be less than seventy-five years of age at the time of his or her election.~~

~~Section 2.02. Election. Elected Members shall be elected at any annual or special meeting of the Members from a slate of nominees prepared by the Nominating and Governance Committee.~~

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees,

the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Member (or his or her designee);

(ii) the President of the Corporation;

(iii) the Chair of the Board of Lawrence + Memorial Hospital, Inc. ("L+M Hospital");

(iv) the Chair of the Board of LMW Healthcare, Inc., doing business as Westerly Hospital ("Westerly Hospital"); and

(v) the Chair of the Board of Visiting Nurse Association of Southeastern Connecticut, Inc. ("VNASC").

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

Section 3.3 Number. The Board shall consist of no fewer than eight (8) nor more than seventeen (17) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include:

(a) up to three (3) health care providers on the Medical Staffs of L+M Hospital and Westerly Hospital who shall be selected from a group of five (5) candidates

proposed to the Nominating and Governance Committee by each of the respective Medical Staffs, provided that at least one (1) such Elected Trustee shall be on the Medical Staff of L+M Hospital and at least one (1) such Elected Trustee shall be on the Medical Staff of Westerly Hospital;

(b) Up to six (6) community members from the L+M Hospital service area; and

(c) Up to three (3) community members from the Westerly Hospital service area.

Section ~~2.03. Term; Tenure. The term of each Member other than persons serving in an ex-officio capacity shall be until resignation, removal, death, or the fifth annual meeting following such Member's election, whichever first occurs.~~**3.5 Term and Term Limits.** There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

~~Section 2.04. Termination of Membership.~~

~~a. Removal. Elected Members may be removed from membership by the affirmative vote of two thirds (2/3) of the Members present and voting at a meeting of the Members called for the purpose of removing the Elected Member. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Member. Failure to attend three (3) consecutive annual meetings, or permanent removal from the service area of a Hospital, shall constitute grounds for removal.~~

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one

year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

~~b.~~ **Section 3.6 Resignation**. Any Elected ~~Members~~Trustee may resign ~~from membership~~ at any time by ~~delivering~~giving written notice of such resignation to the Secretary of ~~the~~this Corporation. ~~The~~Such resignation shall be effective ~~when the notice is delivered unless the notice specifies a later effective date.~~at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

~~c. Ex-Officio Members. An Ex-Officio Member's membership shall terminate immediately when the Ex-Officio Member ceases to hold the qualifying position or office.~~

~~d. Effect of Termination. All rights and privileges of a Member in the Corporation cease immediately upon termination of membership.~~

~~Section 2.05 Voting Rights. All Members shall be entitled to vote for the election of Members and the Board of Directors in accordance with these Bylaws, but shall not be entitled to vote on any other matter.~~

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member and may be filled at any time in accordance with the process set forth in Section 3.4 of these Bylaws. An individual

elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section ~~2.06.~~ 3.9 Meetings.

(a) **Annual ~~Meeting~~Meetings**. The annual meeting of ~~Members~~the Board shall be held ~~each year in the month of December or a date to be fixed by the Board of Directors from year to year, at such time and place as shall be determined by the President and CEO.~~on such date and time as the Chair of the Board shall designate.

~~Section 2.07. Special Meetings. Special meetings of the Members~~

(b) **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings.** Special meetings of the Board may be called at any time by the Chair or ~~by the~~ President and ~~CEO, and~~ shall be called ~~within fourteen (14) days after receipt of~~upon the written request of any ~~twenty~~three (~~20~~3) ~~Members. The notice of such special meeting shall state the general purpose or purposes for which the special meeting is called and no other business shall be transacted at the meeting.~~Trustees.

Section ~~2.08. Notice of Meetings.~~ ~~Notice of the date, time, and place of any meeting of the Members shall be given to each Member by mail, electronic mail, telecommunications, telephone, facsimile or in person at least ten (10) days before the meeting date.~~ **3.10 Notice of Meetings.** Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President/Chief Executive Officer of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President/Chief Executive Officer of the Member has consented to receive notice.

Section ~~2.09. Quorum; Vote Required for Action.~~ ~~The Members who are present in person at a meeting shall constitute a quorum for action at that meeting. The affirmative vote of at least a majority of Members present at a meeting of the Members at which time a vote is taken shall be the act of the Members, unless the vote of a greater number is required by law, the Certificate of Incorporation or these Bylaws.~~

~~ARTICLE III~~

~~BOARD OF DIRECTORS~~

~~Section 3.01. Composition. The management of the Corporation and its affairs and property shall be entrusted to the Board of Directors (sometimes referred to as the "Board"), which shall consist of not less than seven (7) nor more than sixteen (16) Directors who shall be individuals serving as Members of the Corporation. At all times, five (5) of these Directors shall serve ex officio: the President and CEO; the Chair of the board of directors of L+M Hospital; the Chair of the board of directors of Westerly Hospital; the Chair of the board of directors of VNASC and the Chair of the combined boards of the L+M Physicians entities (the "Ex-Officio Directors"). The remaining Directors (the "Elected Directors") shall include: (a) up to one (1) health care provider on the medical staff from each of the Hospitals selected from a group of five (5) candidates proposed to the Governance Committee by the respective medical staffs, (b) up to six (6) community members from the L+M Hospital service area, and (c) up to three (3) community members from the Westerly Hospital service area. The Elected Directors shall be elected by the Members in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, comprised of as equal a number of Elected Directors per group as possible, so that approximately one-third (1/3) of the Elected Directors shall have terms that expire annually.~~

~~Section 3.02. Election and Terms. Elected Directors shall be elected by the Members at the annual meeting of the Members from a slate of nominees prepared by the Governance Committee in accordance with these Bylaws. No nominations from the floor shall be permitted. Except as otherwise provided in these Bylaws, Elected Directors shall serve a term of three (3) years or until their resignation, removal or death. The Members may elect Directors to serve one-year or two-year terms in order to achieve the groupings required by Section 3.01 of these Bylaws.~~

~~Section 3.03. Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term. After serving the maximum time permitted under this Section 3.03, an Elected Director may be~~

re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.

Section 3.04. Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Corporation. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board.

Section 3.05. Removal. An Elected Director may be removed with or without cause by the affirmative vote of two-thirds (2/3) of the Directors present and voting at a meeting at which a quorum is present. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Director.

Section 3.06. Vacancies. A vacancy of an Elected Director may be filled by the Board at any regular or special meeting. The individual elected to fill the vacancy shall be a Member of the Corporation and shall serve until the next annual meeting of the Members at which Directors are elected.

Section 3.07. Duties and Responsibilities. Subject to the rights, powers and privileges accorded to the Members in the Certificate of Incorporation, these Bylaws, or by law, the Board shall manage and direct the business, property, and affairs of the Corporation. The Board shall exercise all of the powers of the Corporation in accordance with these Bylaws. Without limiting the foregoing, the Board of Directors shall have the power to:

(a) Approve an overall philosophy, statement of vision and mission for the System;

(b) Approve the philosophy, mission and values of each Subsidiary and any change thereto;

(c) Adopt strategic plans for the Corporation and each Subsidiary;

(d) Approve annual operating and financial targets, major clinical and/or financial initiatives, and financial plans for the Corporation and each of the Subsidiaries (including capital and operating budgets);

(e) Approve the formation or acquisition of new direct or indirect Subsidiaries, joint ventures or affiliations;

(f) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Corporation and each Subsidiary, and any amendments thereto or restatements thereof;

(g) Approve all core competencies and qualifications required for selection of the Corporation's Directors and the directors of each Subsidiary;

(h) Appoint and remove all Board officers of the Corporation, the President and CEO, and the chief executive officer of each Subsidiary;

(i) Appoint all directors of each Subsidiary, and remove, with or without cause, all directors or board officers of each Subsidiary;

(j) Establish and oversee the System's compliance program;

(k) Select outside executive compensation counsel, approve an executive compensation policy and program, and evaluate executive and physician compensation arrangements to assure compliance with the fair market principles and tests for commercial reasonableness established by the Internal Revenue Service ("IRS");

(l) Approve any change in the Corporation's accounting periods or methods, or those established for the System;

(m) Select and approve any auditor of the annual audited financial statements for the Corporation and its Subsidiaries;

(n) Approve any accounting or debt management programs established for the System, establish any debt limits under such programs, and approve any variances from such programs or limits for the Corporation and the Subsidiaries;

(o) Approve the incurrence of debt or financing by the Corporation or any Subsidiary, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets or pursuant to other guidelines established by the Corporation;

(p) Oversee each Subsidiary's use, management and investment of its permanent and temporarily restricted endowment funds;

(q) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation or any Subsidiary under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(r) Initiate or consent to any form of insolvency proceeding of any entity in the System;

(s) Approve all projects, agreements or transactions undertaken by the Corporation or a Subsidiary involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(t) Approve the services offered by the Subsidiaries, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(u) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Corporation or any Subsidiary;

(v) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Corporation or any Subsidiary;

(w) Approve the acquisition of any real estate or any significant lease arrangement by any Subsidiary, except as otherwise included in a strategic or financial plan or approved budget;

(x) Approve any management contract or outsourcing arrangement for any Subsidiary which would substantially impact or alter its operations;

(y) Approve any change in the primary business name or logo of the Corporation or any entity in the System;

(z) Delegate to the President and CEO any of its powers of review or approval of actions or matters relating to any Subsidiary to the extent permitted by law, the Certificate of Incorporation and these Bylaws; and

(aa) Take such other actions and steps as may be necessary to maintain the long-range financial strength and viability of the System and the Subsidiaries.

Section 3.08. Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Corporation for their reasonable expenses and disbursements in that capacity on behalf of the Corporation.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 4.01. Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, immediately following the adjournment of the annual meeting of the Members, unless the Chair shall designate a different date for the annual meeting of Directors. At the annual meeting, the Board shall appoint the officers of the Corporation and the committee members, and shall transact such other business as shall properly come before the meeting. The Board of Directors shall hold at least four (4) meetings in each year, at least one of which shall be the annual meeting. The Board may hold its meetings, annual, regular or special, at such place or places within or without the

~~State of Connecticut as the Board may from time to time by resolution determine or as shall be specified or fixed in the notice or waiver of notice thereof.~~

~~Section 4.02. Notices of Annual and Regular Meetings.~~ ~~The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.~~

~~Section 4.03. Special Meetings.~~ ~~Special meetings of the Board may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery or in person at least two (2) days before the scheduled time of the meeting, and no business shall be transacted at such meeting other than that specifically stated in the notice.~~

~~Section 4.04. Quorum; Vote Required for Action.~~ ~~A majority of all Directors then in office shall constitute a quorum at all meetings of the Board of Directors. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present and at which time a vote is taken shall be the act of the Board of Directors, unless the vote of a greater number of Directors is required by the Certificate of Incorporation, these Bylaws or by law. Ex-Officio Directors shall be counted in determining a quorum and shall be entitled to vote.~~ **3.11**

Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section ~~4.05. Action Without Meeting.~~ ~~If all Directors consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the Board. All written consents shall be included in the corporate minutes or filed with the corporate records.~~ **3.12** **Action by Unanimous Written Consent.** Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section ~~4.06. Remote~~ **3.13 Participation** ~~at a Meeting. Any Director~~**by Conference Call.** The members of the Board may participate in a meeting of the Board by means of ~~a~~ conference telephone or similar communications equipment ena~~bling all Directors~~(including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in a~~t~~he meeting by means of such equipment shall constitute presence in person at such meeting.

Section ~~4.07. Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board of Directors, and minutes of each meeting shall be prepared by the Secretary or a delegate and submitted to the Board for approval. Minutes shall reflect attendance at the meeting and shall be dated, signed and maintained in the corporate records following approval.~~**3.14 Quorum and Voting.** A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

~~Section 4.08. Executive Session. The Board of Directors may meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors who are employees of the Corporation or any Subsidiary may at the discretion of the Chair be excluded from all or any portion of an executive session.~~

ARTICLE ~~V~~IV. OFFICERS

Section ~~5.01. Officers and Election. The officers shall be a Chair, the President and CEO, a Secretary, a Treasurer.~~**4.1 Officers.** The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time ~~be designated by the Board. The Chair, the Secretary and the Treasurer shall each be chosen from the members of the Board and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines. The offices of Chair, the President and CEO,~~consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

~~Section 5.02. Term of Office. Except for the President and CEO, the officers shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting or until their earlier resignation, removal or death.~~

~~Section 5.03. Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board of Directors at any meeting of the Board.~~

~~Section 5.04. Removal. Any officer may be removed with or without cause at any meeting of the Board by the vote of two-thirds (2/3) of the Directors present and voting at a meeting of the Board, provided that a quorum has been established at such meeting and that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is the removal of the officer.~~

~~Section 4.05. Duties and Powers. The duties of the officers shall be as follows:~~

Section 4.2 Election and Term of Office. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President.** The President of the Corporation shall be appointed by the Member, following consultation with the Board. The appointed President shall serve at the pleasure of the Member.

The President shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staffs of L+M Hospital and Westerly Hospital, Corporation personnel and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President/Chief Executive Officer of the Member (or his or her designee) as well as to the Board.

~~a.~~(b) **Chair~~:~~.** The Chair~~, or any Director designated by~~ of the ~~Chair~~Board shall preside at ~~all~~ meetings of the Board and shall be a voting member of all committees except the Nominating and Governance Committee. The Chair shall perform such other duties ~~incident to the office or delegated by~~as the Board ~~or these Bylaws~~may from time to time prescribe. ~~The Chair shall be an ex officio~~ member ~~of all committees.~~

~~b. Treasurer. The Treasurer shall supervise the receipt and custody of the Corporation's funds and investments, the maintenance of the financial books and records, including full and accurate accounts of receipts and disbursements, and shall perform such other duties incident to the office or as from time to time may be assigned by the Board or these Bylaws.~~(c) **Vice Chair.** The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

~~c. Secretary: The Secretary shall maintain the minutes of such meetings of the Members, the Board of Directors and of all committees in the corporate records; give, or cause to be given, all notices required by these Bylaws or by law; serve as custodian of and be responsible for authenticating the corporate records; make such records available to the Members and the Board upon request; and, in general, perform all other duties incident to the office of Secretary and such other duties as from time to time may be delegated by the Board or these Bylaws.~~

~~d. Other Officers: The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or such other officers as the Board may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.~~

~~ARTICLE VI~~

~~PRESIDENT AND CEO~~

~~Section 6.01. President and CEO. The Board of Directors shall appoint the President and CEO, who shall serve as the chief executive~~

(d) **Secretary.** The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board,

and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer.** The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation. ~~The Board shall establish the objectives, evaluate the performance, and determine the compensation of the President and CEO. The removal of the President and CEO shall be at the discretion of the Board. The President and CEO shall have the responsibilities set forth in Section 6.03, and shall be responsible to the Board of Directors, or to the Chair when the Board is not in session, for the full executive administration of the Corporation, subject to such policies as may be adopted and such orders as may be issued by the Board of Directors.~~

~~Section 6.02. Qualifications for the President and CEO. The Board of Directors shall establish a criteria based process for selecting a qualified and competent individual to serve as the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Corporation's senior leader. Among other criteria, education and relevant experience are important qualifications.~~

~~Section 6.03. Responsibilities of the President and CEO. Subject to the powers expressly reserved to the Board, the President and CEO shall, in general, supervise and control all business and affairs of the Corporation. He or she shall have the power to sign, acknowledge and deliver on behalf of the Corporation all deeds, agreements and other formal instruments. The President and CEO shall be delegated the responsibility for overall management of the Corporation, and shall be given the authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board of Directors. The President and CEO shall see that all orders and resolutions of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be delegated by the Board of Directors or these Bylaws.~~

~~Section 6.04. Attendance at Meetings. The President and CEO shall attend all meetings of the Board and the Executive Committee, unless excused by the Chair. The President and CEO shall be an ex officio member of all committees except the Audit and Compliance Committee and the Executive Compensation Committee.~~

~~ARTICLE VII~~ may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

~~COMMITTEES~~ARTICLE V. COMMITTEES

~~Section 7.01. Generally. The Board shall have the Standing Committees created in Sections 7.02 of these Bylaws and such Additional Committees created by resolution of the Board pursuant to Section 7.03 of these Bylaws.~~

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Every committee of the Board shall include among its members a representative of the Member, who shall be appointed by the President/Chief Executive Officer of the Member and who shall have a vote and be included for purposes of

determining a quorum.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section ~~7.02.~~ 5.4 Standing Committees. ~~Except as otherwise provided in these Bylaws, Standing Committees may exercise the power of the Board on those matters delegated to them by these Bylaws or by the Board. These committees, which shall be composed exclusively of Directors, shall be the following:~~

(a) **Executive Committee.** ~~There shall be an~~The Executive Committee ~~consisting of the Chair.~~shall consist of the President ~~and CEO~~, the Chair, the Secretary, ~~and~~ the Treasurer, a member of the Board selected by the Member, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. ~~Acts of the~~The Executive Committee shall ~~be ratified by the Board of Directors at its next regular meeting. Except as otherwise provided by law or these Bylaws, the Executive Committee shall have the same authority as the Board of Directors~~possess and may exercise in the intervals between meetings of the Board ~~for time sensitive matters that the Executive Committee determines must or should be addressed prior to the next Board meeting. In addition, the Executive Committee shall perform such other duties as the Board of Directors may delegate to it. The Chair may designate one or more Directors as alternate members of the Executive Committee who may replace any absent or disqualified member. In addition, if any officer is temporarily absent and has not designated another Board member to fulfill the officer's duties during such an absence, the Executive Committee may make such a designation.~~ all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) ~~Nominating and Governance Committee. There shall be a Nominating and Governance Committee consisting of not fewer than three (3) Directors who shall be appointed by the Board. The Committee shall review the recommendations it receives pursuant to Section 3.01. Subject to any qualifications and core competencies which it shall develop on behalf of the Board from time to time, the Committee shall identify qualified individuals to serve as Directors of the Corporation and as members of the board of directors of Subsidiaries, or as the President and CEO or as the chief executive officer of any Subsidiary. The Committee shall present a slate of nominees for election at each annual meeting or any meeting at which such Directors will be elected or at which the Board shall elect directors of a Subsidiary. The~~

~~Committee shall be responsible for the development, education and evaluation activities of the Board of Directors and of the board of directors of any Subsidiaries, shall review the corporate governance documents and policies established for the Corporation and its Subsidiaries, shall oversee and enforce the Corporation's and the Subsidiaries' Conflict of Interest Policy, and shall perform such other duties as the Board of Directors may delegate to it from time to time. The Committee shall have the specific responsibilities and shall follow the procedures set forth in the Nominating and Governance Committee Charter as adopted by the Board and reviewed annually.~~ **Finance Committee.** The Finance Committee shall consist of at least three (3) Trustees, including the Treasurer, a member of the Board selected by the Member, and such other members as are necessary to properly perform the functions of the Finance Committee. The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation.

(c) ~~Audit and Compliance Committee. There shall be an Audit and Compliance Committee consisting of not fewer than three (3) Directors appointed by the Board. The chair of the Committee shall be appointed by the Chair of the Board. Members of the Committee shall be independent of the management of the Corporation and its affiliates, and free of any relationship that would interfere with their exercise of independent judgment. No person who is then serving as chair of the Finance Committee or equivalent committee of the Corporation, either of the Hospitals or any other Subsidiary shall be eligible to serve on the Audit and Compliance Committee. The Committee shall assist the Board in fulfilling its oversight responsibility relating to (i) the quality and integrity of the Corporation's and each Subsidiary's financial statements, (ii) the effectiveness of the Corporation's and the Subsidiaries' internal control over financial reporting, (iii) the qualification, independence and performance of, and the Corporation's and the Subsidiaries' relationship with its independent auditors, (iv) the performance of the Corporation's and the Subsidiaries' internal audit functions, (v) the review of risk management policies and procedures, (vi) the Corporation's and the Subsidiaries' compliance with applicable legal and regulatory requirements, and (vii) the effectiveness of its compliance programs. The Audit Committee shall have the specific responsibilities and shall follow the procedures set forth in the Audit Committee Charter as adopted by the Board and reviewed annually.~~ **Nominating and Governance Committee.** The Nominating and Governance Committee shall develop recommended criteria for membership on the Board and on committees of the Board. The Nominating and Governance Committee shall, after consultation with the President, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees.

The Nominating and Governance Committee shall also periodically review of Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process. The composition of the Nominating and Governance Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

(d) **Executive Compensation Committee.** The Executive Compensation Committee shall ~~be comprised of the Chair of the Board and at least three additional (3) Directors who are selected and are determined to be independent by the Board, one of whom shall serve on the Finance Committee. This Committee will be responsible for (i) developing an executive compensation policy, and (ii) reviewing all aspects of the performance of, and for establishing the compensation of, each senior executive or key employee of the System who may be a "disqualified person" potentially subject to intermediate sanctions under Section 4958 of the Code, all of which shall be subject to Board approval. The Executive Compensation Committee shall have the specific responsibilities and shall follow the procedures set forth in the Executive Compensation Committee Charter as adopted by the Board. (e) Finance Committee. The Finance Committee shall consist of at least three (3) Directors appointed by the Board and such other members as are necessary to properly perform the functions of the Finance Committee. The Treasurer shall be an ex-officio member of the Finance Committee. The Finance Committee may not exercise the authority of the Board, and any acts taken by the Committee shall be solely advisory in nature. The Committee shall be responsible for reviewing the operating and capital budgets of the Corporation and each Subsidiary and make recommendations for the approval such budgets to the Board of Directors. The Committee shall also oversee the management and investment of the endowment and pension funds of the Corporation and each Subsidiary. The Committee shall have the specific responsibilities and shall follow the procedures set forth in the Finance Committee Charter as adopted by~~ the Board. set compensation for executives of the Corporation (other than the President and any other officer whose compensation is set by the Member) who are in a position to exercise substantial influence over the affairs of the Corporation as determined by the Executive Compensation Committee. The Executive Compensation Committee shall obtain and rely upon appropriate comparability data, including from the Member, in making its compensation decisions, and shall ensure that such compensation decisions are in compliance with the laws relating to organizations described in Section 501(c)(3) of the Internal Revenue Code. The composition of the Executive Compensation Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

Section 5.6 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

~~(f) Standing Committees—Miscellaneous Provisions.~~

~~(i) Prohibited Activities. Standing~~**Section 5.7 Powers of Committees.** No committee established by the Board shall ~~not~~ have power to: ~~(i)~~ fill vacancies ~~in~~on the Board ~~of Directors or any Board Committee; (ii) adopt, amend or appeal~~or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws~~; (iii)~~, to approve a plan of merger, ~~or the~~to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation~~; (iv)~~, to approve a proposal to dissolve ~~the Corporation;~~ or ~~(v)~~to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

~~(ii) Quorum and Voting Requirements. A majority of all members of a Standing Committee shall constitute a quorum at its meetings. The affirmative vote of a majority of the committee members present at the time the vote is taken shall be the act of such committee, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law.~~

~~(iii) Notice Requirements. Notice of the date, time and location of a Standing Committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board of Directors. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board of Directors.~~

~~Section 7.03. Additional Committees. In addition to the Standing Committees established by Section 7.02 of these Bylaws, the Board may from time to time establish other committees ("Additional Committees") for the purposes and with the powers and responsibilities conferred by the Board. Such committees shall exist solely at the pleasure of the Board. Any Additional Committee that is authorized to act on behalf of the Board shall be composed exclusively of Directors, all of whom shall be appointed by the Chair, and shall be subject to the requirements of Section 7.02(f) of these Bylaws. Any Additional Committee that is advisory~~

~~only and does not have the authority to act on behalf of the Board shall consist of at least one (1) Director and two (2) other individuals who may or may not be Directors, all of whom shall be appointed by the Chair.~~

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

~~ARTICLE VIII~~

~~CONFLICT OF INTEREST; CONFIDENTIALITY~~
ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

~~Section 8.01. "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board of Directors expects Directors to exercise good judgment and follow high ethical standards. Individuals serving the Corporation should never permit private interests to conflict in any way with their obligations to the Corporation and to any entities affiliated with the Corporation. In addition, all members of the Board of Directors must honor the confidential nature of Corporation information and strive to maintain its confidentiality. To this end, from time to time the Board of Directors shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons;" disclosure by members of the Board of Directors; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.~~

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 Execution of Deeds and Contracts. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 Execution of Negotiable Instruments. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member.

EXHIBIT A

Actions Requiring Approval of Both the Board and the Member

Notwithstanding anything in these Bylaws to the contrary and except as otherwise provided in Exhibit B relating to the direct authority retained by the Member, the following actions may only be taken with both the prior approval of the Board and the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate, which will comport with the strategic planning processes and strategic plans established by the Member; and

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member.

~~Section 9.01. Amendment. Except as otherwise provided by the Certificate of Incorporation, these Bylaws, or by law, the Board of Directors may adopt, amend, or repeal these Bylaws at any meeting of the Board of Directors by the affirmative vote of a majority of the Directors, provided that notice of the general nature of the proposed action has been given in the notice of the meeting.~~

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws.

~~ARTICLE X~~

~~MISCELLANEOUS~~

EXHIBIT B

Direct Authority Retained by the Member

~~Section 10.01. Principal Office. The principal office of the Corporation shall be located in New London, Connecticut. The Corporation may have other offices within or without the State~~

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of ~~Connecticut as~~ the Board of ~~Directors may from time to time determine.~~ this Corporation:

~~Section 10.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the Certificate of Incorporation or these Bylaws, or of a resolution of Members or Directors, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Corporation shall cause any such waiver to be filed with or entered upon the records of the Corporation or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon such person's arrival, the person objects to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.~~

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the President consistent with Section 4.3(a), which requires prior consultation with the Board.

~~**Adopted at Board of Directors Meeting – July 29, 2013**~~

Other Major Activities Requiring the Approval of the Member

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with the Board of this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Corporation

~~Sec.~~ Section 1. The name of the corporation is Lawrence + Memorial Corporation (the "Corporation").

~~Sec.~~ Section 2. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code"). The Corporation shall serve as the parent corporation of ~~an integrated healthcare system (the "System~~ a network of health care affiliates in southeastern Connecticut and Rhode Island (the "L+M Network"), and the nature of the activities to be conducted, or the purposes to be promoted or carried out by the Corporation are as follows:

(a) ~~(a)~~ To benefit, perform the functions of, carry out the purposes of, and uphold, promote, develop and further the welfare, programs and activities of the entities affiliated with the ~~System~~L+M Network (the "~~Subsidiaries~~L+M Entities"), including the following:

(i) ~~(i)~~ initiating, developing, recommending and carrying out for the ~~Subsidiaries~~L+M Entities goals and priorities for new or expanded programs for the benefit of the ~~System~~L+M Network and the communities served by the ~~System~~L+M Network;

(ii) ~~(ii)~~ continuously reevaluating, maintaining and revising a master plan for the programs and facilities of the ~~System~~L+M Network;

(iii) ~~(iii)~~ considering and recommending the acquisition of properties or the construction of facilities by or for the use of the ~~Subsidiaires~~L+M Entities;

(iv) ~~(iv)~~ planning for the acquisition and placement of new facilities and equipment by or for the use of the ~~Subsidiaries~~L+M Entities; and

(v) ~~(v)~~ performing public relations work on behalf of the ~~System~~L+M Network, and soliciting and receiving subscriptions and gifts for the exclusively charitable purposes of the ~~Subsidiaries~~L+M Entities.

(b) ~~(b)~~ To initiate, develop, operate and maintain, for the ~~System~~L+M Network and for other hospitals and ~~healthcare~~health care facilities which are not part of the ~~System~~L+M Network, programs directed toward improving the efficiency of utilization of ~~healthcare~~health care facilities and services in the States of Connecticut and Rhode Island, and in New London County and surrounding areas in particular, and reducing the cost of ~~healthcare~~health care to the public while maintaining a high quality of such care;

(c) ~~(c)~~ To initiate, develop, operate and maintain educational programs for health professionals and for the public, including programs of nursing education, continuing medical education, residency training and community health education;

(d) ~~(d)~~ To initiate, develop and maintain, in cooperation with the ~~Subsidiaries~~L+M Entities and with other hospitals and ~~healthcare~~health care facilities, and ~~to~~ operate directly or through one or more separate corporations, programs for the delivery of ~~healthcare~~health care services to persons other than hospital patients;

(e) ~~(e)~~ To acquire, improve, hold and lease to the ~~Subsidiaries~~L+M Entities and to other hospitals and ~~healthcare~~health care facilities any real or personal property useful to the accomplishment of the purposes of this Corporation, the ~~Subsidiaries~~L+M Entities or such other hospitals or ~~healthcare~~health care facilities;

(f) To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Corporation;

(g) ~~(f) To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Corporation; and generally~~Generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

(h) ~~(g) In furtherance of the foregoing, to~~To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act ~~(the "Act")~~, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

~~Sec. 3. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.~~In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the

"System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

Section 3. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

~~Sec. 4. The classes, rights, privileges, qualifications, obligations, and the manner of election or appointment of members are as follows: There shall be only one class of members, consisting of those individuals who shall from time to time be elected or appointed to membership in accordance with the Bylaws. The members shall have the right to vote for the election of members and to vote for the election of the Board of Directors in accordance with the Bylaws, but shall not be entitled to vote on any other matter. The Bylaws may provide that certain persons occupying certain positions within or without the Corporation shall be *ex officio* members who may be counted in determining a quorum and may have the right to vote for the election of members and the directors.~~

Section 4. The Corporation shall have but one member, Yale-New Haven Health Services Corporation, which shall have the rights, powers and privileges provided in the Bylaws and by the State of Connecticut, including certain expressly reserved powers and retained rights described in the Bylaws.

~~Sec. 5. The business, property and affairs of~~ Section 5. Subject to the rights, powers and privileges accorded to Yale-New Haven Health Services Corporation under the Bylaws and by the State of Connecticut, the Corporation shall be ~~directed and managed~~governed by ~~a Board of Directors in accordance with the Bylaws~~its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Corporation shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Corporation, the terms of ~~directors~~ elected ~~by the members shall~~trustees may be staggered by dividing the ~~total number of these directors~~trustees into ~~three (3)~~ groups, so that approximately an equal number of such ~~directors~~trustees have terms that expire each year. ~~The Bylaws may provide that certain persons occupying certain positions within or without the Corporation shall be *ex officio* directors, who may be counted in determining a quorum and may have the right to vote.~~

~~Sec.~~ Section 6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's ~~directors~~trustees, officers or other private persons, except that the Corporation, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing

or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

~~Sec.~~ Section 7. Upon any dissolution of the Corporation, all of its property and assets shall, after payment of the lawful debts of the Corporation and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Yale-New Haven Health Services Corporation, as long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution or termination of existence of the Corporation, Yale-New Haven Health Services Corporation is not in existence or does not qualify as an exempt organization under Section 501(c)(3) of the Code, to one or more charitable, scientific or ~~educational~~education organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of ~~Directors~~Trustees may determine.

~~Sec.~~ Section 8. In addition to, and not in derogation of, any other rights conferred by law, a ~~director of the Corporation~~trustee shall not be personally liable for monetary damages for breach of duty as a ~~director of the Corporation~~trustee in an amount greater than the compensation received by ~~the director~~such trustee for serving the Corporation during the year of ~~the violation~~such breach if ~~the~~such breach ~~did~~does not (~~1~~A) involve ~~any~~a knowing and culpable violation of law by ~~the director~~ (~~2~~such trustee, (B) enable ~~the director~~.such trustee or an associate ~~of such director~~ (as defined ~~by~~in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (~~3~~C) show a lack of good faith and conscious disregard for the duty of ~~the director~~such trustee to the Corporation under circumstances in which ~~the director~~such trustee was aware that his ~~or her~~ conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (~~4~~D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of ~~the director~~such trustee's duty to the Corporation. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or member of the Corporation shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

~~Sec. 9 Indemnification~~

~~(a) The Corporation shall provide identification to any person made a party to a civil, criminal, administrative or investigative proceeding because he or she is or was a director or~~

~~officer of the Corporation against liability and reasonable expenses incurred in the proceeding; provided however, that the Corporation may not indemnify a director or officer of the Corporation unless a determination has been made, on a case by case basis, that such indemnification is permissible under the circumstances, because the director or officer, as the case may be, has met the applicable standard of conduct set forth in Section 33-1117(a) of the Act, as such subsection may be amended from time to time. Such determination shall not be made by the court or other tribunal conducting the proceeding, or by any other court of competent jurisdiction, but shall instead be made in accordance with Section 33-1121 of the Act, as such section may be amended from time to time.~~

~~(b) The Corporation may not indemnify a director or officer of the Corporation in connection with a proceeding by or in the right of the Corporation, in which the director or officer, as the case may be, was adjudged liable to the Corporation, or in connection with any other proceeding charging improper benefit to him or her, whether or not involving official capacity, in which he or she was adjudged liable on the basis that personal benefit was received.~~

~~(c) Employees or agents of the Corporation who are not directors or officers of the Corporation may be indemnities against liability and reasonable expenses in the same manner as set forth in subsections (a) and (b) above, except that the determination, required by subsection (a) may in addition be made by the general counsel of the Corporation, or such additional officer or officers as the Board of Directors may specify. In the case of employees or agents of the Corporation who are not directors or officers, however, the extent of indemnification may be less than the indemnification of directors and officers, even if the standard in subsection (a) is met, depending upon the extent to which the directors, committee, legal counsel, or officers making the determination conclude that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances.~~

Section 9. The Corporation shall provide its trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Corporation shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Corporation under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation.

The Corporation may indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a trustee, or who is a trustee but is made a party to a proceeding in

his or her capacity solely as an officer, employee or agent, to the same extent as the Corporation is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Section 10. The Bylaws of the Corporation may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Board of Trustees and the member.

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL

AMENDED AND RESTATED BYLAWS

~~OF~~

Amended and Restated as of 201

Attachment to

Articles of Amendment to

Articles of Incorporation for:

LMW Healthcare, Inc.

Section 3 shall be amended to add thereto:

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL
AMENDED AND RESTATED BYLAWS

~~**d/b/a The Westerly Hospital**~~

ARTICLE I~~I~~. NAME AND GENERAL PURPOSES
~~Role and Purpose of the Hospital; Member~~

Section ~~1.01 Role and Purpose of the Hospital.~~ ~~LMW Healthcare, Inc. (the "Hospital") shall be organized and operated exclusively for charitable purposes within the meaning of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"). The Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code. The role and purpose of the Corporation shall include the following:~~ **1.1 Name.** The name of the corporation is **LMW Healthcare, Inc.** (the "Corporation"). The Corporation shall conduct business under the name "Westerly hospital."

~~a. To establish, maintain and carry on an institution within the health care delivery system (the "System") administered by Lawrence + Memorial Corporation, with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;~~

~~b. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;~~

~~c. To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Directors may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and~~

~~d. To engage in any lawful act or activity for which a corporation may be organized under the Rhode Island Revised Nonprofit Corporation Act (the "Act"), as now in effect and as the same may be amended from time to time.~~

~~Section 1.02 Member; Lawrence + Memorial Corporation. The Hospital shall have but one (1) member, Lawrence + Memorial Corporation (the " Member"), which shall elect the Board of Directors of the Hospital (also referred to in these Bylaws as the Board or Board of Directors), adopt, amend and repeal these Bylaws, and have all of the other~~

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Articles of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Articles of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the ~~members of a nonprofit federally tax exempt corporation and not conferred by the Certificate of Incorporation or these Bylaws on the Board of Directors of the Hospital. In addition to any other rights, powers and privileges as it may have by law or under the Certificate of Incorporation, the Member shall have the right and power to:~~

~~(a) Approve the philosophy, mission and values of the Hospital and any change thereto;~~

~~(b) Adopt strategic plans for the Hospital;~~

~~(c) Approve the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);~~

~~(d) Approve the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;~~

~~(e) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Hospital, and any amendments thereto or restatements thereof;~~

~~(f) Approve all core competencies and qualifications required for selection of the Hospital's Directors;~~

(g) In consultation with and upon recommendation of the Board, appoint all Directors of the Hospital, and remove, with or without cause all Directors or board officers of the Hospital;

(h) In consultation with and upon recommendation of the Board, appoint and remove, determine the compensation for, and conduct the evaluation of, the President and Chief Executive Officer of the Hospital (the "President and CEO");

(i) Select and approve any auditor of the annual audited financial statements for the Hospital;

(j) Approve any accounting or debt management programs, establish any debt limits under such programs, approve any variances from such programs or limits for the Hospital, and incur or assume any debt on behalf of the Hospital;

(k) Approve the incurrence of debt or financing by the Hospital, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets;

(l) Oversee the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds;

(m) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Hospital under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(n) Initiate or consent to any form of insolvency proceeding undertaken by the Hospital or any direct or indirect subsidiary of the Hospital;

(o) Approve all projects, agreements or transactions undertaken by the Hospital involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(p) Approve the services offered by the Hospital, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(q) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Hospital or any direct or indirect subsidiary of the Hospital;

(r) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Hospital or any direct or indirect subsidiary of the Hospital;

(s) Approve the acquisition of any real estate or any significant lease arrangement by the Hospital, except as otherwise included in a strategic or financial plan or approved budget;

(t) Approve any management contract or outsourcing arrangement for the Hospital which would substantially impact or alter its operations; and

(u) Approve any change in the primary business name or logo of the Hospital.

Section 1.03 Manner of Action by Member. Any action permitted or required of the Member by law, the Certificate of Incorporation or these Bylaws may be taken by vote of its board of directors, or by or through any person or persons designated by either its bylaws or its board of directors to act on its behalf. Except as provided in Section 2.05 of these Bylaws, any such action may also be taken without a meeting by written communication of a duly authorized representative of the Member acting within the limits of his/her authority. Any such action by the Member or its duly authorized representative shall be filed with the Secretary of the Hospital. Whenever approval by the Member is required by law, the Certificate of Incorporation or these Bylaws, the Member shall attempt to act on a request for approval within the timeframe set forth in any schedule that may be developed from time to time, or if no such schedule exists, in a timely manner. member of a Rhode Island nonprofit corporation under the Rhode Island Nonprofit Corporation Act as may be amended from time to time (the "Act") and not conferred thereby or by the Articles of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit 13 of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall

mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board. YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 23 **Liability and Reimbursement of Expenses.** Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE ~~II~~III. BOARD OF TRUSTEES
~~Board of Directors~~

Section ~~2.01. Composition.~~ ~~Following the first annual meeting (as set forth in Section 3.01 below) or at such earlier time as determined in the discretion of the initial Board of Directors, the Board of Directors shall consist of not less than three (3) nor more than eleven (11) Directors, such number within the variable range to be determined by the Member at its annual meeting. At all times, up to five (5) of these Directors shall serve ex officio: the President and CEO, the President and Chief Executive Officer of the Member (if such individual is not also concurrently serving as the Hospital's President and CEO), the President of the Medical Staff; the Vice President of the Medical Staff; and a representative at large of the Medical Staff who ordinarily shall be the immediate past President or a former President of the Medical Staff (the "Ex-Officio Directors"). The remainder of the Directors, the "Elected Directors," shall be members of the Member and elected by the Member in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, so that approximately one third (1/3) of the Directors shall have terms that expire annually. The Elected Directors and the Ex-Officio Directors are together referred to in these Bylaws as the "Directors."~~**3.1 Powers and Duties.** Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith, with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

~~Section 2.02. Election and Terms. Elected Directors shall be elected by the Member at its annual meeting from a slate of nominees prepared by its Governance Committee. No other nominations shall be permitted. Except as provided otherwise in these Bylaws, Elected Directors shall serve a term of three (3) years, or until their resignation, removal or death. The Member may elect Directors to serve one year or~~

two-year terms in order to achieve the groupings required by Section 2.01 of these Bylaws.

Section 2.03 Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1 ½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term. After serving the maximum time permitted under this Section, an Elected Director may be re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.

Section 2.04 Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Hospital. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board or the Member.

Section 2.05 Removal. An Elected Director may be removed by the affirmative vote of the Member at a meeting of the Member's board of directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Director.

Section 2.06 Vacancies. A vacancy of an Elected Director may be filled by the Member or the Board at any regular or special meeting. If filled by the Board, the individual elected to fill the vacancy shall serve until the next meeting of the Member at which Directors are elected.

Section 2.07 Duties and Responsibilities. Subject to the rights, powers and privileges accorded to the Member in the Certificate of Incorporation, these Bylaws,

~~or by law, the Board shall manage and direct the business, property, and affairs of the Hospital. The Board of Directors shall exercise all of the powers of the Hospital in accordance with these Bylaws. Without limiting the foregoing, the Board shall have the power to~~

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) ~~(a) Develop and recommend~~Recommend to the Member and YNHHSC the philosophy, mission and values of the ~~Hospital~~Corporation and any changes thereto;

(ii) ~~(b) Develop and recommend~~Recommend to the Member and YNHHSC the ~~Hospital's~~Corporation's strategic plans;

(iii) ~~(c) Develop and recommend~~Recommend to the Member and YNHHSC the ~~Hospital's~~Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) ~~(d) Annually assess the Hospital's performance against approved budgets, initiatives and strategic plans adopted by the Member;~~

(iv) (e) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the ~~Hospital~~Corporation or any ~~direct or indirect subsidiary of the Hospital~~Affiliate;

(v) ~~(f)~~ Recommend to the Member and YNHHSC the formation or acquisition by the ~~Hospital~~Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) ~~(g)~~ Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the ~~Hospital~~Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) ~~(h)~~ ~~Approve~~Recommend to the Member approval of any consent decree or settlements from state and federal authorities~~, following consultation with the Member~~;

(ii) ~~(i) Recommend to the Member changes to the Hospital's Certificate of Incorporation and Bylaws;~~

(iii) ~~(j)~~ Recommend to the Member nominations for and removal of ~~Directors~~Trustees of the ~~Hospital~~Corporation; and

~~(k) Elect officers of the Board, and recommend to the Member the removal of any officer of the Board;~~

(iv) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) ~~(l) Recommend to the Member the selection, evaluation and compensation of the President and CEO;~~Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) ~~(m) Approve business transactions or material contracts, subject to the rights of the Member set forth in Section 1.02, not otherwise included in an approved budget or a strategic or financial plan;~~

(iv) ~~(n) Approve any incurrence or assumption of debt by the Hospital in accordance with the guidelines for accounting and debt management programs established by the Member:~~Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(v) ~~(o)~~ Periodically assess the ~~Hospital's~~Corporation's Quality Initiatives, including tracking and reporting on the ~~Hospital's~~Corporation's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(vi) ~~(p) Periodically assess the Hospital's policies and programs to assure corporate and regulatory compliance, including all required state and federal license and generally recommended accreditations and certifications;~~

(vii) ~~(q) Periodically assess the Hospital's policies and programs relating to human relations and labor relations;~~

(v) Periodically assess the Corporation's Development Plans and its

(r) Periodically assess the Hospital's Development Plans and its Planned Giving Plans;

(vi) (s) Periodically assess the Hospital's Corporation's Community Relations Initiatives and Community Outreach Programs;

(vii) (t) Plan and implement policies and programs relating to the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds, annual appeal funds, and net proceeds from special fundraising events;

(viii) (u) Approve actions with respect to the privileges and credentials of members of the Hospital's Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the Hospital's Corporation's Medical Staff Bylaws and any System guidelines established by the Member; subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(ix) (v)

(x) Evaluate the Board's performance; and

(xi) (w) Recommend to the Member the appointment and removal of the President and CEO.

(xii)

Section 2.08 Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Hospital for their reasonable expenses and disbursements in that capacity on behalf of the Hospital.

Section 2.09 Directors Emeriti. In its discretion, the Member may appoint Directors Emeriti. To be eligible for appointment, an individual shall have contributed lengthy and exemplary service to the Hospital as a Director. From time to time, Directors Emeriti may be invited to attend Board meetings, but shall not vote or be counted towards a quorum. Individuals appointed as Directors Emeriti shall retain such appointments for life.

ARTICLE III

Meetings of the Board of Directors's performance.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants.** Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings

of the Board and shall not be counted in determined a quorum thereof.

Section ~~3.01 Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, unless the Chair shall designate a different date for the annual meeting of the Board. The transaction of business at the annual meeting shall be unlimited except as otherwise specified in these Bylaws. There shall be up to twelve (12) regular meetings of the Board per fiscal year, with a schedule of such meetings to be adopted by resolution of the Board.~~3.3 Number. The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the

beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such

Section 3.02. ~~Notice of Annual and Regular Meetings. The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.~~

determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 Resignation. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings.** The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) ~~- Section 3.03 Special Meetings. Special meetings may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty four (24) hours before the scheduled time of the meeting and no business shall be transacted at such meeting other than that specifically set forth in the notice.~~**Special Meetings.** Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

(d)

~~(e) Section 3.04 Quorum; Vote Required for Action. A majority of all Directors shall constitute a quorum at all meetings of the Board. The affirmative vote of a majority of the Directors present at a meeting at which time a vote is taken shall be the act of the Board, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law. Ex officio Directors shall be counted in determining a quorum and shall be entitled to vote.~~

~~(f)~~

~~(g) Section 3.05 Action Without Meeting. If all members of the Board consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the Board; all written consent(s) shall be included in the corporate minutes or filed with the corporate records.~~

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing.

Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section ~~3.06~~ 3.13 Participation by Conference ~~Telephone~~. ~~Any member~~**Call.** The members of the Board may participate in a meeting of the Board by means of ~~a~~ conference telephone or similar communications equipment ~~enabling all members of the Board~~ including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

~~Section 3.07 Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board, and minutes of each meeting shall be prepared and submitted to the Board for approval by the Secretary or a delegate. Minutes shall reflect attendance at the meeting, and shall be dated, signed and maintained in the corporate records following approval.~~

~~Section 3.08 Executive Session. The Board of Directors shall meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors who are employees of the Hospital may at the discretion of the Chair be excluded from all or any portion of an executive session.~~

Section 3.14 **Quorum and Voting.** A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the

Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS
~~Officers~~

Section ~~4.01 Officers. The officers shall be a Chair, the President and CEO, a Secretary, a Treasurer, and such other officers as may from time to time be designated by the Board. The Chair, Secretary and Treasurer shall be chosen from the members of the Board and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines. The offices of Chair, President and CEO and Secretary shall be held by different individuals.~~ **4.1 Officers.** The officers of the Corporation shall consist of a President, a

~~Section 4.02 Election. The officers except for the President and CEO shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting.~~

~~Section 4.03 Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board at any Board meeting.~~

~~Section 4.04 Removal. Any officer may be removed with or without cause by the Member at any meeting of the board of directors of the Member, provided that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is removal of the officer.~~

~~Section 4.05 Duties. The duties of the officers shall be as follows:~~

Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) President. The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) ~~a.~~ Chair. ~~The Chair or in the Chair's absence a Director who is the Chair's delegate or who is appointed by the Board shall preside at all meetings of the Board and shall perform other duties incident to the office or delegated by the Board or these Bylaws. The Chair shall be an ex officio member of all committees.~~ The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

~~b. President and CEO. The President and CEO shall be the chief executive officer of the Hospital and shall perform such other duties incident to that office or delegated by the Member, the Board or these Bylaws. The Hospital's President and CEO shall be an ex officio member of all committees established by the Board. The Member shall appoint the President and CEO, who shall serve until his or her death, resignation, disability, or removal in accordance with these Bylaws.~~

~~c. Secretary. The Secretary shall maintain the~~

(c) Vice Chair. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) Secretary. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board ~~in the corporate records; give or cause to be given all notices required by these Bylaws or by law; serve as custodian of the Board's records; make such records available to the Board upon its request; and perform all other duties incident to the office or delegated by the Board or these Bylaws.~~

(c) ~~d.~~ ~~Treasurer. The Treasurer shall supervise the receipt and custody of the Hospital's funds and investments; render a full account and statement of the condition of the Hospital's finances at each annual meeting of the Board and at such other times as requested by the Board; and perform other duties incident to the office or as may be delegated by the Board or these Bylaws.~~ and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) Treasurer. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3 (a).

~~e.~~ **Section 4.6 Other Officers:** ~~The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or any~~ The Corporation may have such other officer or officers, including assistant officers, as the Board ~~may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors~~ may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

~~President and CEO~~

~~Section 5.01 Appointment. The Member shall appoint a President and CEO in accordance with these Bylaws. Other executive management staff shall be appointed by the President and CEO with the approval of the Board. The removal of the President and CEO shall be at the discretion of the Member.~~

~~Section 5.02 Qualifications for the President and CEO. The Board shall develop and recommend to the member a criteria-based process for selecting a President and CEO. Among other criteria, education and relevant experience are important qualifications. The Board shall also develop and recommend to the Member any performance objectives, evaluations and compensation programs for the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Hospital's senior leader.~~

~~Section 5.03 Responsibilities of the President. The President and CEO shall be the chief executive officer of the Hospital. Subject to the powers expressly reserved to the Board or the Member, the President and CEO shall, in general, supervise and control all the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. If no Chair or Vice Chair has been appointed or in the absence of the Chair or Vice Chair, the President and CEO shall, in general, supervise and control all of the business and affairs of the Hospital, all deeds, agreements and other formal instruments. The President and CEO shall see that all orders and resolutions of the Board and of the committees of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be assigned to the President and CEO by these Bylaws, by the Board, or by the Member.~~

~~Section 5.04 Attendance at Meetings. The President shall attend all meetings of the Board unless excused by the Chair.~~

~~ARTICLE VI~~

~~Committees~~

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee.** The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee.** The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review board" for the purposes set forth in R.I. Gen. Laws § 23-17-25(a), as amended from time to time.

Section ~~6.01 Generally.~~ 5.5 Other Committees. The Board may establish and appoint ad -hoc committees from time to time as the Board may deem necessary to carry out special ~~find~~fund raising events or other initiatives of the Board. ~~Committees~~Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and ~~chair~~chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) ~~Director~~Trustee and two (2) other individuals who may or may not be ~~Directors~~Trustees. Each such committee ~~established by the Board~~ shall be chaired by a ~~Director~~Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section ~~6.02. Committee Procedures.~~ ~~Notice of the date, time and location of a committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board.~~ **5.6 Powers of Committees.** No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

Section 6.03 Committees – Miscellaneous Provisions. The Chair may designate one or more officers of the Hospital to serve as ex officio members of a committee. Each such committee shall adopt and follow rules and procedures for its organization and operation.

Section 6.04 "Medical Review Committees". Any committee or subcommittee referred to in or otherwise established in accordance with the provisions of these Bylaws, as well as the Board itself, when engaged in any peer review activity, is intended to be a "peer review board" within the meaning of that term as set forth in Rhode Island General Laws § 5-37-1, as may be amended from time to time.

ARTICLE VII
Medical Staff

Section 7.01 The Appointment and Governance of the Medical Staff. The Board shall appoint all members of the Hospital's Medical Staff, approve each member's delineated clinical privileges, and be responsible for the organization and activities of the Medical Staff. The Board shall adopt and from time to time review the bylaws and rules and regulations of the Medical Staff. The Board shall assure that the Medical Staff complies with such bylaws, rules and regulations, and shall have and regularly consult with a liaison of the Medical Staff.

Section 7.02 Recommendations of The Medical Staff Executive Committee. The Board shall accept and review, for possible adoption by the Board, specific recommendations from the Medical Staff executive committee, made in accordance with the provisions of the Medical Staff bylaws, and relating to:

a. The structure of the Medical Staff;

~~b. The process designed for reviewing credentials and delineating individual clinical privileges;~~

~~c. Recommendations for Medical Staff membership;~~

~~d. The organization of the Medical Staff's performance improvement activities, as well as the process designed for conducting, evaluating and revising such activities;~~

~~e. The process by which Medical Staff membership may be terminated; and~~

~~f. The fair hearing process.~~

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees to the full extent permitted by law.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Act related to disclosure and approval of transactions that present a conflict of interest.

~~ARTICLE VIII~~ARTICLE VIII. MISCELLANEOUS PROVISIONS
~~Conflict of Interest; Confidentiality~~

~~Section 8.01 "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board expects the Directors to exercise good judgment and follow high ethical standards. Individuals serving the Hospital should never permit private interests to conflict in any way with their obligations to the Hospital and to any entities affiliated with the Hospital. In addition, all Directors must honor the confidential nature of Hospital information and strive to maintain its confidentiality. To this end, from time to time the Board shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons"; disclosure by Board members; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.~~

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 Execution of Deeds and Contracts. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 Execution of Negotiable Instruments. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 Auxiliary. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 Department Chairs. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX, AMENDMENTS
~~Amendments~~

Except as otherwise provided by the Articles of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or WHMSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXIBBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate.

Other Major Activities

A. ~~Section 9.01. Amendments. Except as otherwise provided by the Certificate of Incorporation, or by law, the Member may adopt, amend or repeal these Bylaws.~~ In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

~~ARTICLE X~~

~~Miscellaneous~~

~~Section 10.01. Principal Office. The principal office of the Hospital shall be located in Westerly, Rhode Island.~~

~~Section 10.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the~~

~~Certificate of Incorporation or these Bylaws, or of a resolution of the Member or the Board, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Hospital shall cause any such waiver to be filed with or entered upon the records of the Hospital or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon the person's arrival, the person objects to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.~~

~~**Adopted by the Board of Directors of Lawrence + Memorial Corporation as of November 26, 2012.**~~

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

~~AMENDED AND RESTATED BYLAWS~~

~~OF~~

LAWRENCE + MEMORIAL HOSPITAL, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

****

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 4
Section 3.3 Number 5
Section 3.4 Election of Trustees 5
Section 3.5 Term and Term Limits 6
Section 3.6 Resignation 6
Section 3.7 Removal 7
Section 3.8 Vacancies 7
Section 3.9 Meetings 7
Section 3.10 Notice of Meetings 7
Section 3.11 Waiver of Notice 7
Section 3.12 Action by Unanimous Written Consent 7
Section 3.13 Participation by Conference Call 8
Section 3.14 Quorum and Voting 8
ARTICLE IV. OFFICERS 8
Section 4.1 Officers 8
Section 4.2 Election and Term of Office 8
Section 4.3 Powers 8
Section 4.4 Resignation and Removal 9
Section 4.5 Vacancies 9
Section 4.6 Other Officers 9
ARTICLE V. COMMITTEES 10
Section 5.1 Classification 10
Section 5.2 Appointment of Committee Members 10
Section 5.3 Committee Governance 10
Section 5.4 Standing Committees 10
Section 5.5 Other Committees 11
Section 5.6 Powers of Committees 11
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 11
ARTICLE VIII. MISCELLANEOUS PROVISIONS 12
Section 8.1 Fiscal Year 12

Section 8.2 Execution of Deeds and Contracts 12
Section 8.3 Execution of Negotiable Instruments 12
Section 8.4 Auxiliary 12
Section 8.5 Department Chairs 12
ARTICLE IX. AMENDMENTS 12
EXHIBIT A 13
EXHIBIT B 15

~~Role and Purpose of the Hospital; Member~~

LAWRENCE + MEMORIAL HOSPITAL, INC.
AMENDED AND RESTATED BYLAWS

~~**Section 1.01. Role and Purpose of the Hospital.** The role and purpose of Lawrence + Memorial Hospital, Inc. (the "Hospital") shall be as follows:~~

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is Lawrence + Memorial Hospital, Inc. (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

~~a. To establish, maintain and carry on an institution within the health care delivery system (the "System") administered by Lawrence + Memorial Corporation, with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;~~**Section 2.1 Member.** The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

~~b. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;~~

~~c. To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Directors may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and~~

~~d. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act"), as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.~~

~~Section 1.02. Member; Lawrence & Memorial Corporation. The Hospital shall have but one (1) member, Lawrence + Memorial Corporation (the "Member"), which shall elect the Board of Directors of the Hospital (also referred to in these Bylaws as the "Board" or "Board of Directors"), adopt, amend and repeal these Bylaws, and have all of the other~~

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the ~~members of a nonstock federally tax exempt corporation and not conferred by the Certificate of Incorporation or these Bylaws on the Board of Directors of the Hospital. In addition to any other~~member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges ~~as it may have by law or under the Certificate of Incorporation, the Member shall have the right and power to:~~

~~(a) Approve the philosophy, mission and values of the Hospital and any change thereto;~~

(b) Adopt ~~strategic plans for the Hospital;~~

(e) Approve the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(d) Approve the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;

(e) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Hospital, and any amendments thereto or restatements thereof;

(f) Approve all core competencies and qualifications required for selection of the Hospital's Directors;

(g) In consultation with and upon recommendation of the Board, appoint all Directors of the Hospital, and remove, with or without cause, all Directors or board officers of the Hospital;

(h) In consultation with and upon recommendation of the Board, appoint and remove, determine the compensation for, and conduct the evaluation of, the President and Chief Executive Officer of the Hospital (the "President and CEO");

(i) Select and approve any auditor of the annual audited financial statements for the Hospital;

(j) Approve any accounting or debt management programs, establish any debt limits under such programs, approve any variances from such programs or limits for the Hospital, and incur or assume any debt on behalf of the Hospital;

(k) Approve the incurrence of debt or financing by the Hospital, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets;

(l) Oversee the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds;

(m) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Hospital under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(n) Initiate or consent to any form of insolvency proceeding undertaken by the Hospital or any direct or indirect subsidiary of the Hospital;

(o) Approve all projects, agreements or transactions undertaken by the Hospital involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(p) Approve the services offered by the Hospital, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(q) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Hospital or any direct or indirect subsidiary of the Hospital;

(r) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Hospital or any direct or indirect subsidiary or the Hospital;

(s) Approve the acquisition of any real estate or any significant lease arrangement by the Hospital, except as otherwise included in a strategic or financial plan or approved budget;

(t) Approve any management contract or outsourcing arrangement for the Hospital which would substantially impact or alter its operations; and

(u) Approve any change in the primary business name or logo of the Hospital.

Section 1.03. Manner of Action by Member. Any action permitted or required of the Member by law, the Certificate of Incorporation or these Bylaws may be taken by vote of its board of directors, or by or through any person or persons designated by either its bylaws or its board of directors to act on its behalf. Except as provided in Section 2.05 of these Bylaws, any such action may also be taken without a meeting by written communication of a duly authorized representative of the Member acting within the limits of his/her authority. Any such action by the Member or its duly authorized representative shall be filed with the Secretary of the Hospital. Whenever approval by the Member is required by law, the Certificate of Incorporation or these Bylaws, the Member shall attempt to act on a request for approval within the timeframe set forth in any schedule that may be developed from time to time, or if no such schedule exists, in a timely manner.

ARTICLE II

Board of Directors

Section 2.01. Composition. The Board of Directors shall consist of not less than five (5) nor more than eleven (11) Directors, such number within the variable range to be determined by the Member at its annual meeting. At all times, up to five (5) of these Directors shall serve ex officio: the President and CEO; the President and Chief Executive Officer of the Member (if such individual is not also concurrently serving as the Hospital's President and CEO), the President of the Medical Staff; the Vice President of the Medical Staff; and a representative at large of the Medical Staff who ordinarily shall be the immediate past President or a former President of the Medical Staff (the "Ex-Officio Directors"). The remainder of the Directors, the "Elected Directors," shall be members of the Member and elected by the Member in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, so

~~that approximately one-third (1/3) of the Directors shall have terms that expire annually. The Elected Directors and the Ex-Officio Directors are together referred to in these Bylaws as the "Directors."~~

~~Section 2.02. Election and Terms. Elected Directors shall be elected by the Member at its annual meeting from a slate of nominees prepared by its Governance Committee. No other nominations shall be permitted. Except as provided otherwise in these Bylaws, Elected Directors shall serve a term of three (3) years, or until their resignation, removal or death. The Member may elect Directors to serve one-year or two-year terms in order to achieve the groupings required by Section 2.01 of these Bylaws.~~

~~Section 2.03. Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term. After serving the maximum time permitted under this Section, an Elected Director may be re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.~~

~~Section 2.04. Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Hospital. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board or the Member.~~

~~Section 2.05. Removal. An Elected Director may be removed by the affirmative vote of the Member at a meeting of the Member's board of directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Director.~~

~~Section 2.06. Vacancies. A vacancy of an Elected Director may be filled by the Member or the Board at any regular or special meeting. If filled by the Board, the individual elected to fill the vacancy shall serve until the next meeting of the Member at which Directors are elected.~~ that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations

of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section ~~2.07. Duties and Responsibilities.~~ ~~Subject to the rights, powers and privileges accorded to the Member in the Certificate of Incorporation, these Bylaws, or by law, the Board shall manage and direct the business, property, and affairs of the Hospital. The Board shall exercise all of the powers of the Hospital in accordance with these Bylaws. Without limiting the foregoing, the Board shall have the power to:~~**3.1 Powers and Duties.** Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

~~(a)~~ ~~Develop and recommend~~i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Hospital and any changes thereto;

~~(b)~~ ~~Develop and recommend~~ii) Recommend to the Member and YNHHSC the ~~Hospital~~Corporation's strategic plans;

~~(c)~~ ~~Develop and recommend~~iii) Recommend to the Member and YNHHSC the ~~Hospital~~Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

~~(d) Annually assess the Hospital's performance against approved budgets, initiatives and strategic plans adopted by the Member;~~(eiv) Recommend to the

Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the ~~Hospital~~Corporation or any ~~direct or indirect subsidiary of the Hospital~~Affiliate;

(~~f~~v) Recommend to the Member and YNHHSC the formation or acquisition by the ~~Hospital~~Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(~~g~~vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the ~~Hospital~~Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) ~~(h) Approve~~Recommend to the Member approval of any consent decree or settlements from state and federal authorities~~, following consultation with the~~ Member;

~~(i) Recommend to the Member changes to the Hospital's Certificate of Incorporation and Bylaws;~~

(jii) Recommend to the Member nominations for and removal of ~~Directors~~Trustees of the ~~Hospital;~~Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(k) Electii)Except for the President of the Corporation, elect officers of the Board, and recommend to the Member the removal of any officer of the Board; (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (l) Recommend to the Member the selection, evaluation and compensation of the President and CEOexcept for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(m) Approve business transactions or material contracts, subject to the rights of the Member set forth in Section 1.02;iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan;

(n) Approve any incurrence or assumption of debt by the Hospital in accordance with the guidelines for accounting and debt management programs established by the Member; except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(oiv) Periodically assess the HospitalCorporation's Quality Initiatives, including tracking and reporting on the Hospital's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(p)v) Periodically assess the Hospital's policies and programs to assure corporate and regulatory compliance, including all required state and federal license and generally recommended accreditations and certifications;

(q) Periodically assess the Hospital's policies and programs relating to human relations and labor relations;(r) Periodically assess the HospitalCorporation's Development Plans and its Planned Giving Plans;

(svi) Periodically assess the HospitalCorporation's Community Relations Initiatives and Community Outreach Programs;

(t) Plan and implement policies and programs relating to the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds, annual appeal funds, and net proceeds from special fundraising events;(uvii) Approve actions with respect to the privileges and credentials of members of the

~~Hospital~~Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the ~~Hospital~~Corporation's Medical Staff Bylaws and any System guidelines established by the Member~~:~~, subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(~~v~~viii) Evaluate the Board's performance; ~~and~~.

~~(w) Recommend to the Member the appointment and removal of the President and CEO.~~

~~Section 2.08. Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Hospital for their reasonable expenses and disbursements in that capacity on behalf of the Hospital.~~

~~Section 2.09. Directors Emeriti. In its discretion, the Member may appoint Directors Emeriti. To be eligible for appointment, an individual shall have contributed lengthy and exemplary service to the Hospital as a Director. From time to time, Directors Emeriti may be invited to attend Board meetings, but shall not vote or be counted towards a quorum. Individuals appointed as Directors Emeriti shall retain such appointments for life.~~

~~ARTICLE III~~

~~Meetings of the Board of Directors~~

~~Section 3.01. Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, unless the Chair shall designate a different date for the annual meeting of the Board. The transaction of business at the annual meeting shall be unlimited except as otherwise specified in these Bylaws. There shall be up to twelve (12) regular meetings of the Board per fiscal year, with a schedule of such meetings to be adopted by resolution of the Board.~~

~~Section 3.02. Notice of Annual and Regular Meetings. The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.~~

Section 3.2 **Composition.** The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants.** Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings of the Board and shall not be counted in determined a quorum thereof.

Section 3.3 **Number.** The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 **Election of Trustees.** At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to

YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 Resignation. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be

effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings.** The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

~~Section 3.03. Special Meetings. Special meetings may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty four (24) hours before the scheduled time of the meeting and no business shall be transacted at such meeting other than that specifically set forth in the notice.~~(c) **Special Meetings.** Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

~~Section 3.04. Quorum; Vote Required for Action. A majority of all Directors shall constitute a quorum at all meetings of the Board. The affirmative vote of a majority of the Directors present at a meeting at which time a vote is taken shall be the act of the Board, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law. Ex-officio Directors shall be counted in determining a quorum and shall be entitled to vote.~~

~~Section 3.05. Action Without Meeting. If all members of the Board consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the~~

~~Board; all written consent(s) shall be included in the corporate minutes or filed with the corporate records.~~

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section ~~3.06.~~ 3.13 Participation by Conference ~~Telephone.~~ ~~Any member~~**Call.** The members of the Board may participate in a meeting of the Board by means of ~~a~~ conference telephone or similar communications equipment ~~enabling all members of the Board~~(including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

~~Section 3.07. Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board, and minutes of each meeting shall be prepared and submitted to the Board for approval by the Secretary or a delegate. Minutes shall reflect attendance at the meeting, and shall be dated, signed and maintained in the corporate records following approval.~~

~~Section 3.08. Executive Session. The Board of Directors shall meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the~~

~~Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors who are employees of the Hospital may at the discretion of the Chair be excluded from all or any portion of an executive session.~~

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

~~**Officers**~~

Section ~~4.01.~~ 4.1 Officers. The officers ~~shall be a Chair, the President and CEO, a Secretary, a Treasurer,~~of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time ~~be designated by the Board.~~consistent with Section 4.6. The Chair~~, Secretary~~ and ~~Treasurer~~any Vice Chair shall be ~~chosen~~selected from ~~the~~among members of the Board ~~and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines.~~ of Trustees. The offices of ~~Chair,~~the President ~~and CEO, and~~, the Chair and the Treasurer shall be held by different individuals.

Section ~~4.02. Election.~~ ~~The officers, except for the President and CEO, shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting.~~

~~Section 4.03. Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board at any Board meeting.~~

~~Section 4.04. Removal. Any officer may be removed with or without cause by the Member at any meeting of the board of directors of the Member, provided that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is removal of the officer.~~

~~Section 4.05. Duties. The duties of the officers shall be as follows:~~**4.2 Election and Term of Office.** The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President.** The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

~~a.~~(b) **Chair.** The Chair ~~or in the Chair's absence a Director who is the Chair's delegate or who is appointed by~~of the Board shall preside at ~~all~~ meetings of the Board and shall ~~perform other duties incident to the office or delegated by the Board or these Bylaws. The Chair shall be an ex officio~~be a voting member of all committees~~.~~ except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

~~b. President and CEO. The President and CEO shall be the chief executive officer of the Hospital and shall perform such other duties incident to that office or delegated by the Member, the Board or these Bylaws. The Hospital's President and CEO shall be an ex officio member of all committees established by the Board. The Member shall appoint the President and CEO, who shall serve until his or her death, resignation, disability, or removal in accordance with these Bylaws.~~(c) **Vice Chair.** The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

~~c.~~(d) **Secretary**. The Secretary shall ~~maintain the~~have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board ~~in the corporate records; give or~~, and shall cause notice of such meetings to be given ~~all notices required by these Bylaws or by law; serve as custodian of the Board's records; make such records available to the Board upon its request; and perform all other duties incident to the office or delegated by~~as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or ~~these Bylaws~~the Chair may from time to time prescribe.

~~d. Treasurer. The Treasurer shall supervise the receipt and custody of the Hospital's funds and investments; render a full account and statement of the condition of the Hospital's finances at each annual meeting of the Board and at such other times as requested by the Board; and perform other duties incident to the office or as may be delegated by the Board or these Bylaws.~~(e) **Treasurer.** The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

~~e. Other Officers: The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or such other officers as the Board may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.~~**Section 4.4 Resignation and Removal.**

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

~~**President and CEO**~~

~~**Section 5.01. Appointment.** The Member shall appoint a President and CEO in accordance with these Bylaws. Other executive management staff shall be appointed by the President and CEO with the approval of the Board. The removal of the President and CEO shall be at the discretion of the Member.~~

~~Section 5.02. Qualifications for the President and CEO. The Board shall develop and recommend to the Member a criteria-based process for selecting a President and CEO. Among other criteria, education and relevant experience are important qualifications. The Board shall also develop and recommend to the Member any performance objectives, evaluations and compensation programs for the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Hospital's senior leader.~~

~~Section 5.03. Responsibilities of the President. The President and CEO shall be the chief executive officer of the Hospital. Subject to the powers expressly reserved to the Board or the Member, the President and CEO shall, in general, supervise and control all the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. If no Chair or Vice Chair has been appointed or in the absence of the Chair or Vice Chair, the President and CEO shall, in general, supervise and control all of the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. The President and CEO shall see that all orders and resolutions of the Board and of the committees of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be assigned to the President and CEO by these Bylaws, by the Board, or by the Member.~~

~~Section 5.04. Attendance at Meetings. The President shall attend all meetings of the Board unless excused by the Chair.~~

~~ARTICLE VI~~**5.1Classification.** There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee.** The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee.** The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board.

These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review committee" within the meaning of that term as set forth in Chapter 368a of the Connecticut General Statutes, as amended from time to time.

Section 5.5 Other Committees ~~Section 6.01. Generally~~. The Board may establish and appoint ad -hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. ~~Committees~~Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) ~~Director~~Trustee and two (2) other individuals who may or may not be ~~Directors~~Trustees. Each such committee ~~established by the Board~~ shall be chaired by a ~~Director~~Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

~~Section 6.02. Committee Procedures. Notice of the date, time and location of a committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board.~~

~~Section 6.03. Committees - Miscellaneous Provisions. The Chair may designate one or more officers of the Hospital to serve as ex officio members of a committee. Each such committee shall adopt and follow rules and procedures for its organization and operation.~~

~~Section 6.04. "Medical Review Committees". Any committee or subcommittee referred to in or otherwise established in accordance with the provisions of these Bylaws, as well as the Board itself, when engaged in any peer review activity, is intended to be a "medical review committee" within the meaning of that term as set forth in Chapter 368a of the Connecticut General Statutes, as amended from time to time.~~

~~ARTICLE VII~~

~~Medical Staff~~

~~Section 7.01. The Appointment and Governance of the Medical Staff. The Board shall appoint all members of the Hospital's Medical Staff, approve each member's delineated clinical privileges, and be responsible for the organization and activities of the Medical Staff. The Board shall adopt and from time to time review the bylaws and rules and regulations of the Medical Staff. The Board shall assure that the Medical Staff complies with such bylaws, rules and regulations, and shall have and regularly consult with a liaison of the Medical Staff.~~

~~Section 7.02. Recommendations of The Medical Staff Executive Committee. The Board shall accept and review, for possible adoption by the Board, specific recommendations from the Medical Staff executive committee, made in accordance with the provisions of the Medical Staff bylaws, and relating to:~~

~~a. The structure of the Medical Staff;~~

~~b. The process designed for reviewing credentials and delineating individual clinical~~ privileges;

~~c. Recommendations for Medical Staff membership;~~

~~d. The organization of the Medical Staff's performance improvement activities, as well as the process designed for conducting, evaluating and revising such activities;~~

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

~~e. The process by which Medical Staff membership may be terminated; and~~

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

~~f. The fair hearing process.~~

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 Execution of Deeds and Contracts. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 Execution of Negotiable Instruments. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 Auxiliary. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 Department Chairs. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Certificate of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

~~Conflict of Interest; Confidentiality~~

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

~~Section 8.01. "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board expects the Directors to exercise good judgment and follow high ethical standards. Individuals serving the Hospital should never permit private interests to conflict in any way with their obligations to the Hospital and to any entities affiliated with the Hospital. In addition, all Directors must honor the confidential nature of Hospital information and strive to maintain its confidentiality. To this end, from time to time the Board shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons"; disclosure by Board members; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.~~

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

~~ARTICLE IX~~

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate.

~~Amendments~~

Other Major Activities

A. ~~Section 9.01. Amendments.~~ ~~Except as otherwise provided by the Certificate of Incorporation, or by law, the Member may adopt, amend or repeal these Bylaws.~~ In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

~~ARTICLE X~~

~~Auxiliary~~

~~Section 10.01. Auxiliary. There may be an auxiliary known as "The Auxiliary of Lawrence & Memorial Hospital." It shall be a unit of the Hospital and shall be governed and operated under bylaws approved by the Board with the approval of the members of the Auxiliary. All funds of the Auxiliary shall be subject to the direction and control of the Board, consistent with the approved bylaws of the Auxiliary.~~

~~ARTICLE XI~~

~~Miscellaneous~~

~~Section 11.01. Principal Office. The principal office of the Hospital shall be located in New London, Connecticut.~~

~~Section 11.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the Certificate of Incorporation or these Bylaws, or of a resolution of the Member or the Board, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Hospital shall cause any such waiver to be filed with or entered upon the records of the Hospital or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon the person's arrival, the person objects to the holding of the meeting or the~~

~~transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.~~

~~**Adopted by the Board of Directors of Lawrence & Memorial Corporation on November 26, 2012 for Effective Date of December 12, 2012**~~

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Hospital, Inc.

Sec. 1. The name of the corporation is Lawrence + Memorial Hospital, Inc. (the ~~"~~"Hospital"~~"~~).

Sec. 2. The nature of the activities to be conducted, ~~or~~and the purposes to be promoted or carried out by the Hospital, shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of ~~1954~~,1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code") and shall include the following:

(a) To establish, maintain and carry on an institution ~~within the healthcare delivery system administered by Lawrence + Memorial Corporation,~~ with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

(b) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

(c) To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of ~~Directors~~Trustees may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

(d) ~~In furtherance of the foregoing, to~~To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act ~~(the "Act")~~, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Hospital shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Hospital's charitable purposes and the charitable purposes of all System affiliates.

Sec. 3. The Hospital is nonprofit and shall not have or issue shares of stock or pay dividends.

Sec. 4. The Hospital shall have but one member, Lawrence + Memorial Corporation (the "Sole Member"), which shall ~~elect the Board of Directors of the Hospital in accordance with the Bylaws, shall have all of~~have the ~~other~~ rights, powers and privileges ~~usually or by law accorded to the members of a nonstock federally tax exempt corporation and not conferred thereby or by the Certificate of Incorporation or Bylaws upon the Board of Directors of the Hospital, and shall have such additional rights, privileges and obligations as may be accorded to the Sole Member in the Certificate of Incorporation or Bylaws from time to time.Sec. 5.The business, property and affairs of the Hospital shall be~~provided in the Bylaws and by the State of Connecticut, including the right to exercise, on behalf of and as directed ~~and managed by a Board of Directors. The corporate powers of the Board of Directors, and any applicable limitations thereon, shall be as set forth in the Bylaws as in effect from time to time. The Bylaws shall prescribe the number, qualifications and manner of election of directors~~by its sole member, Yale-New Haven Health Services Corporation ("YNHHSC"), certain expressly reserved powers and retained rights described in the Bylaws.

Sec. 5. Subject to the rights, powers and privileges accorded to the Sole Member and to YNHHSC under the Bylaws and by the State of Connecticut, the Hospital shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Hospital shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Hospital, the terms of ~~directors~~ elected ~~by the Member shall~~trustees may be staggered by dividing the ~~total number of these directors~~trustees into ~~three (3)~~ groups~~,~~ so that approximately an equal number of such ~~directors~~trustees have terms that expire each year. ~~The Bylaws may provide that certain persons occupying certain positions within or without the Hospital shall be *ex officio* directors, who may be counted in determining a quorum and may have the right to vote.~~

Sec. 6. ~~The Member shall have the sole power, in accordance with the Bylaws, to adopt, amend or repeal the Hospital's Bylaws and Certificate of Incorporation.Sec. 7.~~ No part of the net earnings of the Hospital shall inure to the benefit of or be distributable to the Hospital's ~~directors~~trustees, officers or other private persons, except that the Hospital, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Hospital shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Hospital shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Sec. ~~8.~~7. Upon any dissolution of the Hospital, all of its property and assets shall, after payment of the lawful debts of the Hospital and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant,

conveyance, agreement, memorandum, writing or other governing document) to ~~the Member~~Lawrence + Memorial Corporation, so long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution ~~or termination of existence~~ of the Hospital, ~~the Member~~Lawrence + Memorial Corporation is not in existence or does not so qualify, to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of ~~Directors~~Trustees may determine.

Sec. ~~9.~~ 8. In addition to, and not in derogation of, any other rights conferred by law, a ~~director~~trustee of the Hospital shall not be personally liable for monetary damages for breach of duty as a ~~director~~trustee in an amount greater than the compensation received by the ~~director~~trustee for serving the Hospital during the year of ~~the violation~~such breach if ~~the~~such breach ~~did~~does not (~~1~~A) involve ~~any~~a knowing and culpable violation of law by ~~the director~~such trustee, (~~2~~B) enable ~~the director~~such trustee or an associate~~,~~ (as defined ~~by~~in Section 33-840 of the Connecticut General Statutes~~.~~) to receive an improper personal economic gain, (~~3~~C) show a lack of good faith and conscious disregard for the duty of ~~the director~~such trustee to the Hospital under circumstances in which ~~the director~~such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (4D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of ~~the director's duty to the Hospital.~~such trustee's duty to the Hospital. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or the Sole Member of the Hospital shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

~~Sec. 10. Indemnification.~~

~~(a)~~

Sec. 9. The Hospital shall provide ~~indemnification to any person made a party to a civil, criminal, administrative or investigative proceeding because he or she is or was a director or officer of the Hospital against liability and reasonable expenses incurred in the proceeding; provided however, that the Hospital may not indemnify a director or officer of the Hospital unless a determination has been made, on a case by case basis, that such indemnification is permissible under the circumstances, because the director or the officer, as the case may be, has met the applicable standard of conduct set forth in Section 33-1117(a) of the Act, as such subsection may be amended from time to time. Such determination shall not be made by the court or other tribunal conducting the proceeding, or by any other court of competent jurisdiction, but shall instead be made in accordance with Section 33-1121 of the Act, as such section may be amended from time to time.~~

~~(b) The Hospital may not indemnify a director or officer of the Hospital in connection with a proceeding by or in the right of the Hospital, in which the director or the~~

~~officer, as the case may be, was adjudged liable to the Hospital, or in connection with any other proceeding charging improper benefit to him or her, whether or not involving official capacity, in which he or she was adjudged liable on the basis that personal benefit was received.~~

~~(c) Employees or agents of the Hospital and Hospital medical staff members acting in official medical staff capacity who are not directors or officers of the Hospital may be indemnified against liability and reasonable expenses in the same manner as set forth in subsections (a) and (b) above, except that the determination required by subsection (a) may in addition be made by the general counsel of the Hospital, or such additional officer or officers as the Board of Directors may specify. In the case of employees, agents and medical staff members of the Hospital who are not directors or officers, however, the extent of indemnification may be less than the indemnification of directors and officers, even if the standard in subsection (a) is met, depending upon the extent to which the directors, committee, legal counsel, Member or officers making the determination conclude that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances. In no event shall Hospital medical staff members be entitled to indemnification for any malpractice suit, claim (whether or not filed in court), settlement, judgment, verdict or decree arising out of or in connection with medical services rendered (or the failure to render such services).~~ its trustees with the full amount of indemnification that the Hospital is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Hospital shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Hospital under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Hospital.

The Hospital may indemnify and advance expenses to each officer, employee or agent of the Hospital who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Hospital is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Hospital shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Sec. 10. This Certificate of Incorporation and the Bylaws of the Hospital may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Sole Member and YNHHSC.

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record
in this Office.
In Testimony whereof, I have hereunto set my hand,
and affixed the Seal of said State, at Hartford,
this 16th day of May A.D. 2014

Denise W. Merrill

SECRETARY OF THE STATE

AG

SECRETARY OF THE STATE
30 TRINITY STREET
P.O. BOX 150470
HARTFORD, CT 06115-0470

MAY 16,2014

CSC THE UNITED STATES CORPORATION
59 DOGWOOD ROAD
WETHERSFIELD, CT 06109

RE: Acceptance of Business Filing

This letter is to confirm the acceptance of a filing for the following business:

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

Work Order Number: 20141447l3-011
Business Filing Number: 0005107629
Type of Request: CERTIFICATE OF AMENDMENT
File Date/Time: MAY 15 2014 03:00 PM
Effective Date/Time: MAY 16 2014 12:01 AM
Work Order Payment Received: 1085.00
Payment Received: 70.00

Business Id: 0150646

ANNA GOLDBLATT
Commercial Recording Division
860-509-6003
WWW.CONCORD.SOTS.CT.GOV

BUSINESS FILING REPORT

WORK ORDER NUMBER:2014144713-011
BUSINESS FILING NUMBER: 0005107629

BUSINESS NAME:

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

BUSINESS LOCATION:

789 HOWARD AVE.
NEW HAVEN,CT 06519

MAILING ADDRESS:

YALE-NEW HAVEN HEALTH SERVICES CORP.
789 HOWARD AVE
NEW HAVEN,CT 06519

PRINCIPAL INFORMATION FOR UP TO THREE PRINCIPALS:

NAME:MARNA P. BORGSTROM
TITLE:PRESIDENT AND CEO

NAME:JULIA M. MCNAMARA
TITLE:CHAIRMAN OF THE BOARD

NAME:FRANCIS PATRICK MCFADDEN, JR.
TITLE:VICE CHAIRMAN OF THE BOARD

** END OF REPORT **

FILING #0005107629 PG 01 OF 06 VOL B-01939
FILED 05/15/2014 03:00 PM PAGE 02157
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

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MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CO
DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, [illegible]
PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT
NONSTOCK CORPORATION

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 8 1/2 X 11 SHEETS IF NECESSARY.

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS ADDRESS)*	FILING FEE: $20
NAME: Rebecca Matthews ADDRESS: Wiggin and Dana LLP 255 Church Street, 17th Floor CITY: New Haven STATE: CT ZIP: 06510	*MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"*

1. NAME OF CORPORATION:

Yale-New Haven Health Services Corporation

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C)*:

☐ A. AMENDED

☐ B. RESTATED

☒ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

The Certificate of Incorporation is amended and restated in its entirety to read as set forth on Exhibit A, such amendment and restatement to be effective as of 12:01 a.m. on May 16, 2014.

FORM CAN-1-1.0
Rev. 7/2010

[illegible] 002

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FILING #0003187629 PG 02 OF 05 VOL B-01939
FILED 05/15/2014 03:00 PM PAGE 02188
SECRETARY OF THE STATE
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4. VOTE INFORMATION *(CHECK A, B or C)*

☐ **A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.**

☐ **B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.**

☒ **C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.**

5. EXECUTION:

DATED THIS 2nd DAY OF May , 2014

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
Mame P. Borgstrom	President and Chief Executive Officer	Mame P. Borgstrom

FORM CAN-1-1.0
Rev. 7/2010

05/15/2014 THU 15:07 [TX/RX NO 8085] 003

EXHIBIT A

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

1. The name of the corporation is YALE-NEW HAVEN HEALTH SERVICES CORPORATION.

2. The nature of the activities to be conducted, or the purposes to be promoted or carried out by the corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Code (as defined in paragraph 8 hereof) and shall include the following:

A. To benefit and carry out the purposes of, to perform the functions of, and uphold, promote and further the welfare, programs and activities of an integrated health care delivery system known as the Yale New Haven Health System (the "System") and its affiliates, including Bridgeport Hospital ("BH"), Greenwich Hospital ("GH"), Yale-New Haven Hospital of New Haven, Connecticut ("YNHH"), Northeast Medical Group, Inc. ("NEMG") and such other organizations as may become affiliates of the System from time to time;

B. To engage directly in, and collaborate with, BH, GH and YNHH and with NEMG and Yale University and other hospitals and health care institutions and other organizations in, the initiation, development and maintenance of programs directed toward improving the efficiency and reducing the cost of health care services while maintaining a high quality of such care;

C. To collaborate with Yale University and with other colleges and schools in the initiation, development and maintenance of educational programs for health professionals and for the public, including programs of medical and nursing education, continuing education, graduate medical education and community health education;

D. to collaborate with BH, GH and YNHH, with Yale University and with other hospitals, health care institutions, colleges and schools in the initiation, development and maintenance of programs of scientific research related to the care of the sick and injured;

E. To initiate, develop, operate and maintain, directly and in collaboration with BH, GH and YNHH, and with other hospitals and health care institutions and organizations, programs for the delivery of health care services through one or more separate corporations;

F. To acquire, improve, hold and lease any real or personal property useful to the accomplishment of the purposes of this corporation;

G. To own and operate facilities, directly and in collaboration with BH, GH and YNHH, and with other hospitals and health care institutions and organizations, to achieve the purposes of the corporation;

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SECRETARY OF THE STATE
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H. To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of this corporation; and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

I. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Act in furtherance of the foregoing.

3. The corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

4. The corporation shall have no Members, and the corporation shall be operated under the management of a Board of Trustees.

5. The Board of Trustees shall be composed of two designations of trusteeships, Elected Trustees and Ex Officio Trustees, with the trustees to be elected as provided in the Bylaws. Ex Officio Trustees may be counted in determining a quorum and have the right to vote as shall be provided in the Bylaws. As may be further provided in the Bylaws, the terms of Elected Trustees may be staggered by dividing the Elected Trustees into groups so that approximately an equal number of such Trustees have terms that expire each year.

6. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the corporation's trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

7. Upon any dissolution or termination of the existence of the corporation, all of its property and assets shall, after payment of the lawful debts of the corporation and the expenses of its dissolution or termination, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Bridgeport Hospital, Greenwich Hospital and Yale-New Haven Hospital, Inc., provided they shall then qualify as exempt organizations under Section 501(c)(3) of the Code, in such proportions as the Board of Trustees may deem appropriate consistent with the relative financial and other contributions of each to the corporation, and to such other charitable, scientific or educational organizations qualified as exempt organizations under

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Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

8. References to sections of the Code shall be deemed references to the Internal Revenue Code of 1986, as the same may be amended from time to time, and to the corresponding provisions of any future United States Internal Revenue Law.

9. In addition to, and not in derogation of, any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the compensation received by the Trustee for serving the corporation during the year of the violation if such breach did not (1) involve a knowing and culpable violation of law by the Trustee, (2) enable the Trustee or an associate as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (3) show a lack of good faith and conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees of the corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a Trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 10. The corporation shall provide its Trustees with the full amount of indemnification that the corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to Trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the corporation shall indemnify its Trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (1) involved a knowing and culpable violation of law by the Trustee, (2) enabled the Trustee or an associate to receive an improper personal economic gain, (3) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation.

The corporation may indemnify and advance expenses to each officer, employee or agent of the corporation who is not a Trustee, or who is a Trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

FILING #0005107629 PG 06 OF 06 VOL B-01939
FILED 05/15/2014 03:00 PM PAGE 02152
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section4958 of the Internal Revenue Code.

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AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

1. The name of the corporation is YALE-NEW HAVEN HEALTH SERVICES CORPORATION.

2. The nature of the activities to be conducted, or the purposes to be promoted or carried out by the corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Code (as defined in paragraph 8 hereof) and shall include the following:

A. To benefit and carry out the purposes of, to perform the functions of, and uphold, promote and further the welfare, programs and activities of an integrated health care delivery system known as the Yale New Haven Health System (the "System") and its affiliates, including Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital, Lawrence + Memorial Corporation, Northeast Medical Group, Inc. and such other organizations as may become affiliates of the System from time to time (collectively, the "YNHHS Members");

B. To engage directly in, and collaborate with, the YNHHS Members and Yale University and other hospitals and health care institutions and other organizations in, the initiation, development and maintenance of programs directed toward improving the efficiency and reducing the cost of health care services while maintaining a high quality of such care;

C. To collaborate with Yale University and with other colleges and schools in the initiation, development and maintenance of educational programs for health professionals and for the public, including programs of medical and nursing education, continuing education, graduate medical education and community health education;

D. to collaborate with the YNHHS Members, with Yale University and with other hospitals, health care institutions, colleges and schools in the initiation, development and maintenance of programs of scientific research related to the care of the sick and injured;

E. To initiate, develop, operate and maintain, directly and in collaboration with the YNHHS Members, and with other hospitals and health care institutions and organizations, programs for the delivery of health care services through one or more separate corporations;

F. To acquire, improve, hold and lease any real or personal property useful to the accomplishment of the purposes of this corporation;

G. To own and operate facilities, directly and in collaboration with the YNHHS Members, and with other hospitals and health care institutions and organizations, to achieve the purposes of the corporation;

H. To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of this corporation; and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

I. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Act in furtherance of the foregoing.

3. The corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

4. The corporation shall have no Members, and the corporation shall be operated under the management of a Board of Trustees.

5. The Board of Trustees shall be composed of two designations of trusteeships, Elected Trustees and Ex Officio Trustees, with the trustees to be elected as provided in the Bylaws. Ex Officio Trustees may be counted in determining a quorum and have the right to vote as shall be provided in the Bylaws. As may be further provided in the Bylaws, the terms of Elected Trustees may be staggered by dividing the Elected Trustees into groups so that approximately an equal number of such Trustees have terms that expire each year.

6. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the corporation's trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

7. Upon any dissolution or termination of the existence of the corporation, all of its property and assets shall, after payment of the lawful debts of the corporation and the expenses of its dissolution or termination, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital, Lawrence + Memorial Corporation, and Northeast Medical Group, Inc., provided they shall then qualify as exempt organizations under Section 501(c)(3) of the Code, in such proportions as the Board of Trustees may deem appropriate consistent with the relative financial and other contributions of each to the corporation, and to such other charitable, scientific or educational organizations qualified as exempt organizations under Section 501(c)(3) of the Code,

in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

8. References to sections of the Code shall be deemed references to the Internal Revenue Code of 1986, as the same may be amended from time to time, and to the corresponding provisions of any future United States Internal Revenue Law.

9. In addition to, and not in derogation of, any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the compensation received by the Trustee for serving the corporation during the year of the violation if such breach did not (1) involve a knowing and culpable violation of law by the Trustee, (2) enable the Trustee or an associate as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (3) show a lack of good faith and conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees of the corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a Trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 10. The corporation shall provide its Trustees with the full amount of indemnification that the corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to Trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the corporation shall indemnify its Trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (1) involved a knowing and culpable violation of law by the Trustee, (2) enabled the Trustee or an associate to receive an improper personal economic gain, (3) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation.

The corporation may indemnify and advance expenses to each officer, employee or agent of the corporation who is not a Trustee, or who is a Trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
ARTICLE III. BOARD OF TRUSTEES 1
Section 3.1 Powers and Duties 1
Section 3.2 Composition 1
Section 3.3 Number 2
Section 3.4 Election of Trustees 2
Section 3.5 Term and Term Limits 2
Section 3.6 Resignation 3
Section 3.7 Removal 3
Section 3.8 Vacancies 3
Section 3.9 Meetings 4
Section 3.10 Notice of Meetings 4
Section 3.11 Waiver of Notice 4
Section 3.12 Action by Unanimous Written Consent 4
Section 3.13 Participation by Conference Call 4
Section 3.14 Quorum and Voting 4
ARTICLE IV OFFICERS 5
Section 4.1 Officers 5
Section 4.2 Election and Term of Office 5
Section 4.3 Powers 5
Section 4.4 Resignation and Removal 6
Section 4.5 Vacancies 6
Section 4.6 Other Officers 6
ARTICLE V. COMMITTEES 6
Section 5.1 Classification 6
Section 5.2 Appointment of Committee Members 6
Section 5.3 Committee Governance 7
Section 5.4 Standing Committees 7
Section 5.6 Other Committees 8
Section 5.7 Powers of Committees 8
ARTICLE VI. INDEMNIFICATION 8
ARTICLE VII. CONFLICTS OF INTEREST 9
ARTICLE VIII. MISCELLANEOUS PROVISIONS 9
Section 8.1 Fiscal Year 9
Section 8.2 Execution of Deeds and Contracts 9
Section 8.3 Execution of Negotiable Instruments 9
Section 8.4 Related Corporations 9
ARTICLE IX. AMENDMENTS 9

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Yale-New Haven Health Services Corporation** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

The Corporation shall have no members and shall be governed by a self-perpetuating Board of Trustees (the "Board") as set forth herein.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. The Board shall have charge, control and management of the affairs, property and funds of the Corporation. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Board for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the communities and geographies served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Corporation;

(ii) the President of Yale University;

(iii) the Chair of the Board of Trustees of Yale-New Haven Hospital,

Inc.;

(iv) the Chair of the Board of Trustees of Bridgeport Hospital;

(v) the Chair of the Board of Trustees of Greenwich Hospital.

Section 3.3 Number. The Board shall consist of up to twenty-one (21) Trustees, inclusive of Ex Officio Trustees.

Section 3.4 Election of Trustees. At the annual meeting of the Board, the Board shall elect successors to the Elected Trustees whose terms are then expiring. The Board shall elect such successors consistent with the following:

(a) Nine (9) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.

(b) Three (3) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the President of Yale University; provided that (x) no more than two (2) Trustees nominated and elected in accordance with this clause shall be employees of Yale University; and (y) if any Trustee nominated in accordance with this clause is an employee of Yale University, then such Trustee shall hold an officer position at Yale University throughout the term of such individual's service as a Trustee.

(c) All other Elected Trustees shall be elected from among the nominees presented by the Nominating and Governance Committee.

In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Board at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Board at which they were elected or at such later date as may be established by the Board and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided, however, that a Trustee may be re-elected for one or more additional consecutive terms if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with cause by action of the Board. Action to remove an Elected Trustee may be taken at any meeting of the Board, provided that the notice of the meeting at which such action will be voted on shall state that the purpose or one of the purposes, of the meeting is removal of the Trustee.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled by the Board in accordance with Section 3.4 of these Bylaws. If the vacancy results from the death, resignation or removal of a Trustee elected on nomination of Yale-New Haven Hospital, Inc., Bridgeport Hospital, Greenwich Hospital or Yale University, the institution that nominated the Trustee who died, resigned or was removed shall submit a name of a replacement Trustee consistent with Section 3.4. In the event that the remaining Trustees on the Board do not constitute a quorum, a vacancy may be filled by the concurring vote of a majority of such remaining Trustees. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair or the President/Chief Executive Officer shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair or the President/Chief Executive Officer shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or the President/Chief Executive Officer and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the

Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President/Chief Executive Officer, a Chair, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be members of the Board.

Section 4.2 Election and Term of Office. Employees of the Corporation who are designated as officers shall be appointed by the Board and shall hold office at the pleasure of the Board. Officers who are not paid employees of the Corporation shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President/Chief Executive Officer.** The President/Chief Executive Officer shall be the chief executive officer of the Corporation.

The President/Chief Executive Officer shall be a person who in the judgment of the Board has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, employees and the community.

The President/Chief Executive Officer shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President/Chief Executive Officer shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President/Chief Executive Officer shall be defined in a written statement adopted by the Board.

The President/Chief Executive Officer shall be a voting member of all standing committees except as otherwise specified in these Bylaws. In the absence of the Chair and the Vice Chair, or if there be no Chair or Vice Chair, the President/Chief Executive Officer shall preside at all meetings of the Board.

The President/Chief Executive Officer shall serve, as long as he or she is appointed by the Board of Yale-New Haven Hospital, Inc., as the chief executive officer of Yale-New Haven Hospital, Inc.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, the vacancy may be filled by the Board for the unexpired term.

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members

and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Each committee shall be chaired by a member of the Board.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Finance Committee.** The Finance Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include at least one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. Notwithstanding anything herein to the contrary, (i) at least one member of the Finance Committee shall have financial expertise, as determined by the Board; and (ii) a majority of the members of the Finance Committee shall be Trustees. The Finance Committee shall have such duties as are established by the Board and set forth in the Finance Committee charter. These duties shall include, but not be limited to, fact-finding for the Board on matters relating to the financial administration of the Corporation and its affiliates, examination and analysis of financial reports of the Corporation and its affiliates, and preparation of annual operating and capital budgets for presentation to the Board that take into account the financial plans for the Corporation and its affiliates.

(b) **Audit Committee.** The Audit Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee. Notwithstanding anything herein to the contrary, (i) at least one member of the Audit Committee shall have financial expertise, as determined by the Board; (ii) a majority of the members of the Audit Committee shall be Trustees; and (iii) no member of the Audit Committee shall have any material business relationship (including but not limited to an employment relationship) with the Corporation or any of its affiliates. The Audit Committee shall have such duties as are established by the Board and set forth in the Audit Committee charter. These duties shall include, but not be limited to, monitoring the integrity of the financial statements of the Corporation and its affiliates; recommending to the Board an independent auditor for the Corporation and its affiliates; reviewing the outside auditor's independence, qualifications and

performance; meeting with the independent auditor from time to time to review financial results and controls of the Corporation and its affiliates; overseeing the effectiveness of internal controls of the Corporation and its affiliates.

(c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall consist of not fewer than five (5) nor more than eight (8) members of whom the following shall be Ex Officio members: (i) the Chair of the Board of Yale-New Haven Hospital; (ii) the President of Yale University; (iii) the President/Chief Executive Officer of the Corporation; (iv) the Chair of the Board of Bridgeport Hospital; and (v) the Chair of the Board of Greenwich Hospital. Ex Officio members shall be counted in determining a quorum and shall have full voting rights. All other members shall be elected by the Board subject to the consent of the Chair of the Board of Yale-New Haven Hospital and at least one of such additional members shall be a member of the Board of Trustees of Yale-New Haven Hospital, Inc. The Nominating and Governance Committee shall nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all other standing committees. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(d) **System Investment Committee**. The System Investment Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. At all times, a majority of the members of the System Investment Committee shall be Trustees. The System Investment Committee shall have such duties as are delegated to it by the Board. These duties include oversight of investment activities of the Corporation.

Section 5.6 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Connecticut Revised Nonstick Corporation Act, as such act may be amended from time to time (the "Nonstock Act") related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President/Chief Executive Officer or such other officers or officers as may be specified by the Board or authorized by the President/Chief Executive Officer.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President/Chief Executive Officer or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Related Corporations**. The Corporation is nonprofit and shall not engage directly in activities for profit. It may, however, from time to time organize and control, through stock ownership or otherwise, one or more corporations organized and operated for profit. In considering the appropriateness of organizing or controlling corporations organized and operated for profit, the Corporation shall give principal consideration to corporations engaged in activities which relate to health care or which directly or indirectly support, advance or contribute to the purposes and objectives of the Corporation and its affiliates that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time. The Board shall establish guidelines, consistent with the provisions of this Section, for consideration of activities which might suitably be developed through for profit corporations controlled by the Corporation.

ARTICLE IX. AMENDMENTS

These Bylaws may be amended, altered, or repealed at any meeting of the Board by a two-thirds vote of the Trustees present and voting, a quorum being present, provided that the general nature and

purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice.

Notwithstanding anything herein to the contrary:

(i) any amendment to reduce or alter the number, conditions of office, or terms of Trustees who either (x) are required to be trustees of Yale-New Haven Hospital, Inc. or (y) are nominated for election by the Chair of the Board of Yale-New Haven Hospital, Inc., shall be subject to approval by at least a majority of the following Trustees: the Chair of the Board of Yale-New Haven Hospital, Inc. and all Trustees nominated by the Chair of the Board of Yale-New Haven Hospital, Inc.

(ii) any amendment to reduce or alter (x) the number, conditions of office, or terms of Trustees who serve Ex Officio by virtue of his or her position with Bridgeport Hospital or Greenwich Hospital or (y) the rights of Bridgeport Hospital or Greenwich Hospital to have a representative on certain enumerated committees of the Board, shall be subject to approval by a two-thirds vote of the Trustees present and voting, a quorum being present, and to approval by the Ex Officio Trustee representing the affected hospital(s).

(iii) any amendment, alteration or repeal of these Bylaws shall be consistent with the Affiliation Agreement between the Corporation and Yale University dated June 25, 1999 and any amendments thereto.

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of May 16, 2014

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
ARTICLE III. BOARD OF TRUSTEES 1
Section 3.1 Powers and Duties 1
Section 3.2 [illegible]mposition 1
Sect[illegible] 2
[illegible]es 2
[illegible]on 3.5 Ter[illegible]mits 2
[illegible]ection 3.6 Resign[illegible] 3
Section 3.7 Removal 3
Section 3.8 Vacancies 3
Section 3.9 Meetings 3
[illegible] 4
[illegible] 4
Section 3.12 Action by Unanimous Written Consent 4
Section 3.13 Participation by Conference Call 4
Section 3.14 Quorum and Voting 4
AR[illegible] 5
Section [illegible]ficers 5
Section 4.2 Election and Term of Office 5
Section 4.3 Powers 5
Section 4.4 Resignation and Removal 6
Section 4.5 Vacancies 6
Section 4.6 Other Officers 6
ARTICLE V. COMMITTEES 6
Section 5.1 Classification 6
Section 5.2 Appointment of Committee Members 6
Section 5.3 Committee Governance 7
Section 5.4 Standing Committees 7
Section 5.6 Other Committees 8
Section 5.7 Powers of Committees 8
ARTICLE VI. INDEMNIFICATION 8
ARTICLE VII. CONFLICTS OF INTEREST 8
ARTICLE VIII. MISCELLANEOUS PROVISIONS 9
Section 8.1 Fiscal Year 9
Section 8.2 Execution of Deeds and Contracts 9
Section 8.3 Execution of Negotiable Instruments 9
Section 8.4 Related Corporations 9
ARTICLE IX. AMENDMENTS 9

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 **Name**. The name of the corporation is **Yale-New Haven Health Services Corporation** (the "Corporation").

Section 1.2 **General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

The Corporation shall have no members and shall be governed by a self-perpetuating Board of Trustees (the "Board") as set forth herein.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 **Powers and Duties**. The Board shall have charge, control and management of the affairs, property and funds of the Corporation. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 **Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Board for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Corporation;

(ii) the President of Yale University;

(iii) the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.;

(iv) the Chair of the Board of Trustees of Bridgeport Hospital;

(v) the Chair of the Board of Trustees of Greenwich Hospital.

Section 3.3 Number. The Board shall consist of up to twenty-one (21) Trustees, inclusive of Ex Officio Trustees.

Section 3.4 Election of Trustees. At the annual meeting of the Board, the Board shall elect successors to the Elected Trustees whose terms are then expiring. The Board shall elect such successors consistent with the following:

(a) Nine (9) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.

(b) Three (3) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the President of Yale University; provided that (x) no more than two (2) Trustees nominated and elected in accordance with this clause shall be employees of Yale University; and (y) if any Trustee nominated in accordance with this clause is an employee of Yale University, then such Trustee shall hold an officer position at Yale University throughout the term of such individual's service as a Trustee.

(c) All other Elected Trustees shall be elected from among the nominees presented by the Nominating and Governance Committee.

In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Board at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Board at which they were elected or at such later date as may be established by the Board and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided, however, that a Trustee may be re-elected for one or more additional consecutive terms if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with cause by action of the Board. Action to remove an Elected Trustee may be taken at any meeting of the Board, provided that the notice of the meeting at which such action will be voted on shall state that the purpose or one of the purposes, of the meeting is removal of the Trustee.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled by the Board in accordance with Section 3.4 of these Bylaws. If the vacancy results from the death, resignation or removal of a Trustee elected on nomination of Yale-New Haven Hospital, Inc., Bridgeport Hospital, Greenwich Hospital or Yale University, the institution that nominated the Trustee who died, resigned or was removed shall submit a name of a replacement Trustee consistent with Section 3.4. In the event that the remaining Trustees on the Board do not constitute a quorum, a vacancy may be filled by the concurring vote of a majority of such remaining Trustees. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 **Meetings**.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such

date and time as the Chair or the President/Chief Executive Officer shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair or the President/Chief Executive Officer shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or the President/Chief Executive Officer and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board consistent with Article

VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a President/Chief Executive Officer, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair, any Vice Chair and the Secretary shall be members of the Board.

Section 4.2 **Election and Term of Office**. Employees of the Corporation who are designated as officers shall be appointed by the Board and shall hold office at the pleasure of the Board. Officers who are not paid employees of the Corporation shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President/Chief Executive Officer**. The President/Chief Executive Officer shall be the chief executive officer of the Corporation.

The President/Chief Executive Officer shall be a person who in the judgment of the Board has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, employees and the community.

The President/Chief Executive Officer shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President/Chief Executive Officer shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President/Chief Executive Officer shall be defined in a written statement adopted by the Board.

The President/Chief Executive Officer shall be a voting member of all standing committees except as otherwise specified in these Bylaws. In the absence of the Chair and the Vice Chair, or if there be no Chair or Vice Chair, the President/Chief Executive Officer shall preside at all meetings of the Board.

The President/Chief Executive Officer shall serve, as long as he or she is appointed by the Board of Yale-New Haven Hospital, Inc., as the chief executive officer of Yale-New Haven Hospital, Inc.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall

exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, the vacancy may be filled by the Board for the unexpired term.

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of

determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Each committee shall be chaired by a member of the Board.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and [illegible] of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Finance Committee.** The Finance Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include at least one (1) representative from each of the founding hospital [illegible] of the obligated group led by the Corporation. Notwithstanding anything herein to the cont[illegible] one member of the Finance Committee shall have financial expertise, as determined by the Board; and (ii) a majority of the members of the Finance Committee shall be Trustees. The Finance Committee shall have such duties as are established by the Board and set forth in the Finance Committee charter. These duties shall include, but not be limited to, fact-finding for the Board on matters relating to the financial administration of the Corporation and its affiliates, examination and analysis of financial reports of the Corporation and its affiliates, and preparation of annual operating and capital budgets for presentation to the Board that take into account the financial plans for the Corporation and its affiliates.

(b) **Audit Committee.** The Audit Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee. Notwithstanding anything herein to the contrary, (i) at least one member of the Audit Committee shall have financial expertise, as determined by the Board; (ii) a majority of the members of the Audit Committee shall be Trustees; and (iii) no member of the Audit Committee shall have any material business relationship (including but not limited to an employment relationship) with the Corporation or any of its affiliates. The Audit Committee shall have such duties as are established by the Board and set forth in the Audit Committee charter. These duties shall include, but not be limited to, monitoring the integrity of the financial statements of the Corporation and its affiliates; recommending to the Board an independent auditor for the Corporation and its affiliates; reviewing the outside auditor's independence, qualifications and performance; meeting with the independent auditor from time to time to review financial results and controls of the Corporation and its affiliates; overseeing the effectiveness of internal controls of the Corporation and its affiliates.

(c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall consist of not fewer than five (5) nor more than eight (8) members of whom the following shall be Ex Officio members: (i) the Chair of the Board of Yale-New Haven Hospital; (ii) the President of Yale University; (iii) the President/Chief Executive Officer of the Corporation; (iv) the Chair of the Board of Bridgeport Hospital; and (v) the Chair of the Board of Greenwich Hospital. Ex Officio members shall be counted in determining a quorum and shall have full voting rights. All other members shall be elected by the Board subject to the consent of the Chair of the Board of Yale-New Haven Hospital and at least one of such additional members shall be a member of the Board of Trustees of Yale-New Haven Hospital, Inc. The Nominating and Governance Committee shall nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all other standing committees. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(d) **System Investment Committee**. The System Investment Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. At all times, a majority of the members of the System Investment Committee shall be Trustees. The System Investment Committee shall have such duties as are delegated to it by the Board. These duties include oversight of investment activities of the Corporation.

Section 5.5 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Connecticut Revised Nonstick Corporation Act, as such act may be amended from time to time (the "Nonstock Act") related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with

the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President/Chief Executive Officer or such other officers or officers as may be specified by the Board or authorized by the President/Chief Executive Officer.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President/Chief Executive Officer or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Related Corporations**. The Corporation is nonprofit and shall not engage directly in activities for profit. It may, however, from time to time organize and control, through stock ownership or otherwise, one or more corporations organized and operated for profit. In considering the appropriateness of organizing or controlling corporations organized and operated for profit, the Corporation shall give principal consideration to corporations engaged in activities which relate to health care or which directly or indirectly support, advance or contribute to the purposes and objectives of the Corporation and its affiliates that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time. The Board shall establish guidelines, consistent with the provisions of this Section, for consideration of activities which might suitably be developed through for profit corporations controlled by the Corporation.

ARTICLE IX. AMENDMENTS

These Bylaws may be amended, altered, or repealed at any meeting of the Board by a two-thirds vote of the Trustees present and voting, a quorum being present, provided that the general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice.

Notwithstanding anything herein to the contrary:

(i) any amendment to reduce or alter the number, conditions of office, or terms of Trustees who either (x) are required to be trustees of Yale-New Haven Hospital, Inc. or (y) are

nominated for election by the Chair of the Board of Yale-New Haven Hospital, Inc., shall be subject to approval by at least a majority of the following Trustees: the Chair of the Board of Yale-New Haven Hospital, Inc. and all Trustees nominated by the Chair of the Board of Yale-New Haven Hospital, Inc.

(ii) any amendment to reduce or alter (x) the number, conditions of office, or terms of Trustees who serve Ex Officio by virtue of his or her position with Bridgeport Hospital or Greenwich Hospital or (y) the rights of Bridgeport Hospital or Greenwich Hospital to have a representative on certain enumerated committees of the Board, shall be subject to approval by a two-thirds vote of the Trustees present and voting, a quorum being present, and to approval by the Ex Officio Trustee representing the affected hospital(s).

(iii) any amendment, alteration or repeal of these Bylaws shall be consistent with the Affiliation Agreement between the Corporation and Yale University dated June 25, 1999 and any amendments thereto.

SECRETARY OF THE STATE
30 TRINITY STREET
P.O. BOX 150470
HARTFORD, CT 06115-0470

JANUARY 11,2013

T. CRANE
SHIPMAN & GOODWIN
ONE CONSTITUTION PLAZA
HARTFORD, CT 06103-1919

RE: Acceptance of Business Filing

This letter is to confirm the acceptance of a filing for the following business:

LAWRENCE & MEMORIAL CORPORATION

Work Order Number: 2013002167-003
Business Filing Number: 0004779291
Type of Request: CERTIFICATE OF AMENDMENT
File Date/Time: DEC 28 2012 01:00 PM
Effective Date/Time: DEC 28 2012 01:00 PM
Work Order Payment Received: 150.00
Payment Received: 20.00
Credit on Account: 602.39
Customer Id: 000000419
Business Id: 0158555

ATIYA LANZA
Commercial Recording Division
860-509-6003
WWW.CONCORD.SOTS.CT.GOV

BUSINESS FILING REPORT

WORK ORDER NUMBER:2013002167-003
BUSINESS FILING NUMBER: 0004779291

BUSINESS NAME:

LAWRENCE + MEMORIAL CORPORATION

BUSINESS LOCATION:

365 MONTAUK AVENUE
NEW LONDON,CT 06320

MAILING ADDRESS:

BRUCE D. CUMMINGS
365 MONTAUK AVE.
NEW LONDON,CT 06320

PRINCIPAL INFORMATION FOR UP TO THREE PRINCIPALS:

NAME:BRUCE D. CUMMINGS
TITLE:PRES

NAME:MARILYN MALERBA
TITLE:SECRETARY

NAME:ULYSSES B. HAMMOND
TITLE:CHAIR

** END OF REPORT **

FILING #0004779291 PG 01 OF 06 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00518
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

SECRETARY OF THE STATE C
MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTIC
DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, HARTFORD, CT 06106
PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT
NONSTOCK CORPORATION

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 81/2 X 11 SHEETS IF NECESSARY.

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS ADDRESS):*

NAME: Patricia B. Chouinard

ADDRESS: Shipman & Goodwin LLP
One Constitution Plaza

CITY: Hartford

STATE: CT ZIP: 06103-1919

FILING FEE: $20

MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"

1. NAME OF CORPORATION:

LAWRENCE AND MEMORIAL CORPORATION

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C):*

☐ A. AMENDED

☐ B. RESTATED

☒ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

On November 26, 2012, the Board of Directors of Lawrence and Memorial Corporation (the "Corporation") approved an Amended and Restated Certificate of Incorporation, as attached hereto (the "Restated Certificate"). The Restated Certificate includes the following substantive amendments:

1. The Corporation's name is changed to Lawrence + Memorial Corporation.
2. The Corporation's purpose set forth in Section 2 has been modified.
3. Section 5 relating to the Corporation's Board of Directors has been revised as it relates to staggered terms.

FORM CAN-1-1.0
Rev. 7/2010

DOHP0041

4. VOTE INFORMATION *(CHECK A,B or C)*

☐ A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.

☐ B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.

☒ C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.

5. EXECUTION:

DATED THIS 27 DAY OF December , 20 12

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
Bruce D. Cummings, FACHE	President & Chief Executive Officer	

FILING #0004779291 PG 02 OF 06 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00519
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

FILING #0004779291 PG 03 OF 06 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00520
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Corporation

Sec. 1. The name of the corporation is Lawrence + Memorial Corporation (the "Corporation").

Sec. 2. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code"). The Corporation shall serve as the parent corporation of an integrated healthcare system (the "System"), and the nature of the activities to be conducted, or the purposes to be promoted or carried out by the Corporation are as follows:

(a) To benefit, perform the functions of, carry out the purposes of, and uphold, promote, develop and further the welfare, programs and activities of the entities affiliated with the System (the "Subsidiaries"), including the following:

(i) initiating, developing, recommending and carrying out for the Subsidiaries goals and priorities for new or expanded programs for the benefit of the System and the communities served by the System;

(ii) continuously reevaluating, maintaining and revising a master plan for the programs and facilities of the System;

(iii) considering and recommending the acquisition of properties or the construction of facilities by or for the use of the Subsidiaires;

(iv) planning for the acquisition and placement of new facilities and equipment by or for the use of the Subsidiaries; and

(v) performing public relations work on behalf of the System, and soliciting and receiving subscriptions and gifts for the exclusively charitable purposes of the Subsidiaries.

(b) To initiate, develop, operate and maintain, for the System and for other hospitals and healthcare facilities which are not part of the System, programs directed toward improving the efficiency of utilization of healthcare facilities and services in the States of Connecticut and Rhode Island, and in New London County and surrounding areas in particular, and reducing the cost of healthcare to the public while maintaining a high quality of such care;

(c) To initiate, develop, operate and maintain educational programs for health professionals and for the public, including programs of nursing education, continuing medical education, residency training and community health education;

(d) To initiate, develop and maintain, in cooperation with the Subsidiaries and with other hospitals and healthcare facilities, and to operate directly or through one or more separate corporations, programs for the delivery of healthcare services to persons other than hospital patients;

(e) To acquire, improve, hold and lease to the Subsidiaries and to other hospitals and healthcare facilities any real or personal property useful to the accomplishment of the purposes of this Corporation, the Subsidiaries or such other hospitals or healthcare facilities;

(f) To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Corporation; and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

(g) In furtherance of the foregoing, to engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act"), as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

Sec. 3. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

Sec. 4. The classes, rights, privileges, qualifications, obligations, and the manner of election or appointment of members are as follows: There shall be only one class of members, consisting of those individuals who shall from time to time be elected or appointed to membership in accordance with the Bylaws. The members shall have the right to vote for the election of members and to vote for the election of the Board of Directors in accordance with the Bylaws, but shall not be entitled to vote on any other matter. The Bylaws may provide that certain persons occupying certain positions within or without the Corporation shall be *ex officio* members who may be counted in determining a quorum and may have the right to vote for the election of members and the directors.

Sec. 5. The business, property and affairs of the Corporation shall be directed and managed by a Board of Directors in accordance with the Bylaws. As may be further provided in the Bylaws, the terms of directors elected by the members shall be staggered by dividing the total number of these directors into three (3) groups, so that approximately an equal number of such directors have terms that expire each year. The Bylaws may provide that certain persons occupying certain positions within or without the Corporation shall be *ex officio* directors, who may be counted in determining a quorum and may have the right to vote.

Sec. 6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's directors, officers or other private persons, except that the Corporation, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Sec. 7. Upon any dissolution of the Corporation, all of its property and assets shall, after payment of the lawful debts of the Corporation and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Directors may determine.

Sec. 8. In addition to, and not in derogation of any other rights conferred by law, a director of the Corporation shall not be personally liable for monetary damages for breach of duty as a director of the Corporation in an amount greater than the compensation received by the director for serving the Corporation during the year of the violation if the breach did not (1) involve any knowing and culpable violation of law by the director (2) enable the director, or an associate of such director as defined by Section 33-840 of the Connecticut General Statutes, to receive an improper personal gain, (3) show a lack of good faith and conscious disregard for the duty of the director to the Corporation under circumstances in which the director was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the Corporation.

Sec. 9 Indemnification

(a) The Corporation shall provide identification to any person made a party to a civil, criminal, administrative or investigative proceeding because he or she is or was a director or officer of the Corporation against liability and reasonable expenses incurred in the proceeding; provided however, that the Corporation may not indemnify a director or officer of the Corporation unless a determination has been made, on a case-by-case basis, that such indemnification is permissible under the circumstances, because the director or officer, as the case may be, has met the applicable standard of conduct set forth in Section 33-1117(a) of the Act, as such subsection may be amended from time to time. Such determination shall not be made by the court or other tribunal conducting the proceeding, or by any other court of

competent jurisdiction, but shall instead be made in accordance with Section 33-1121 of the Act, as such section may be amended from time to time.

(b) The Corporation may not indemnify a director or officer of the Corporation in connection with a proceeding by or in the right of the Corporation, in which the director or officer, as the case may be, was adjudged liable to the Corporation, or in connection with any other proceeding charging improper benefit to him or her, whether or not involving official capacity, in which he or she was adjudged liable on the basis that personal benefit was received.

(c) Employees or agents of the Corporation who are not directors or officers of the Corporation may be indemnities against liability and reasonable expenses in the same manner as set forth in subsections (a) and (b) above, except that the determination, required by subsection (a) may in addition be made by the general counsel of the Corporation, or such additional officer or officers as the Board of Directors may specify. In the case of employees or agents of the Corporation who are not directors or officers, however, the extent of indemnification may be less than the indemnification of directors and officers, even if the standard in subsection (a) is met, depending upon the extent to which the directors, committee, legal counsel, or officers making the determination conclude that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances.

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office

In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 14th day of Jan. A.D. 2013

SECRETARY OF THE STATE

AMENDED AND RESTATED BYLAWS

OF

LAWRENCE + MEMORIAL CORPORATION

****

ARTICLE 1

NAME; PURPOSE; DEFINITIONS

Section 1.01. Name. The name of the corporation is **Lawrence + Memorial Corporation** (the "Corporation").

Section 1.02. Purpose. The Corporation is organized and shall be operated for the purposes set forth in the Certificate of Incorporation.

Section 1.03. Definitions. The following terms used in these Bylaws shall have the following meanings:

(a) "Act" shall mean the Connecticut Revised Nonstock Corporation Act, as amended from time to time.

(b) "Certificate of Incorporation" shall mean the Corporation's certificate of incorporation filed with the Connecticut Secretary of the State, as the same may be amended from time to time.

(c) "Hospitals" shall mean L+M Hospital and Westerly Hospital.

(d) "L+M Hospital" shall mean Lawrence + Memorial Hospital, Inc.

(e) "President and CEO" shall mean the President and Chief Executive Officer of the Corporation;

(f) "Subsidiary" or "Subsidiaries" shall mean any entity directly or indirectly controlled by the Corporation. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power by contract or otherwise. "Controlled" or "Controlling" have correlative meanings. Without limiting the foregoing, each of the following entities shall be considered a Subsidiary: L+M Hospital; Westerly Hospital; L+M Physician Association, Inc.; and Visiting Nurse Association of Southeastern Connecticut, Inc. ("VNASC").

(g) "System" shall mean the comprehensive and integrated health care delivery system operated by the Corporation and its Subsidiaries.

(h) "Westerly Hospital" shall mean LMW Healthcare, Inc., doing business as The Westerly Hospital.

ARTICLE II

MEMBERS

Section 2.01. Classes of Members. The Corporation shall have only one class of members (the "Members"), consisting of not more than two hundred twenty-five (225) individuals elected to membership in accordance with these Bylaws (the "Elected Members"), and, in addition, the following ex-officio Members: the President and CEO; the President of the L+M Hospital Medical Staff; the President of the Westerly Hospital Medical Staff; the Vice President of the Medical Staff of each of the Hospitals; a representative-at-large of the Medical Staff of each of the Hospitals (who ordinarily shall be the immediate past President or a former President of each medical staff); the Mayor of the City of New London; the Mayors of each of the Towns of Groton and Ledyard; the First Selectman of each of the Towns of East Lyme, Lyme, Montville, North Stonington, Old Lyme, Salem, Stonington and Waterford; the Superintendent of the United States Coast Guard Academy in New London; the Commanding Officer of the Naval Hospital in Groton, and the Town Manager of the Town of Westerly, Rhode Island (the "Ex-Officio Members"). Elected Members shall be individuals who reside or work in or around the areas served by the Hospitals, who have an interest in furthering the purposes of the Corporation and the System and who are willing and continue to meet the requirements of Members, which includes but is not limited to attendance at meetings. An Elected Member shall be less than seventy-five years of age at the time of his or her election.

Section 2.02. Election. Elected Members shall be elected at any annual or special meeting of the Members from a slate of nominees prepared by the Nominating and Governance Committee.

Section 2.03. Term; Tenure. The term of each Member other than persons serving in an ex-officio capacity shall be until resignation, removal, death, or the fifth annual meeting following such Member's election, whichever first occurs.

Section 2.04. Termination of Membership.

a. Removal. Elected Members may be removed from membership by the affirmative vote of two-thirds (2/3) of the Members present and voting at a meeting of the Members called

for the purpose of removing the Elected Member. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Member. Failure to attend three (3) consecutive annual meetings, or permanent removal from the service area of a Hospital, shall constitute grounds for removal.

b. Resignation. Elected Members may resign from membership at any time by delivering written notice to the Secretary of the Corporation. The resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

c. Ex-Officio Members. An Ex-Officio Member's membership shall terminate immediately when the Ex-Officio Member ceases to hold the qualifying position or office.

d. Effect of Termination. All rights and privileges of a Member in the Corporation cease immediately upon termination of membership.

Section 2.05 Voting Rights. All Members shall be entitled to vote for the election of Members and the Board of Directors in accordance with these Bylaws, but shall not be entitled to vote on any other matter.

Section 2.06. Annual Meeting. The annual meeting of Members shall be held each year in the month of December or a date to be fixed by the Board of Directors from year to year, at such time and place as shall be determined by the President and CEO.

Section 2.07. Special Meetings. Special meetings of the Members may be called by the Chair or by the President and CEO, and shall be called within fourteen (14) days after receipt of the written request of any twenty (20) Members. The notice of such special meeting shall state the general purpose or purposes for which the special meeting is called and no other business shall be transacted at the meeting.

Section 2.08. Notice of Meetings. Notice of the date, time, and place of any meeting of the Members shall be given to each Member by mail, electronic mail, telecommunications, telephone, facsimile or in person at least ten (10) days before the meeting date.

Section 2.09. Quorum; Vote Required for Action. The Members who are present in person at a meeting shall constitute a quorum for action at that meeting. The affirmative vote of at least a majority of Members present at a meeting of the Members at which time a vote is taken

shall be the act of the Members, unless the vote of a greater number is required by law, the Certificate of Incorporation or these Bylaws.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. Composition. The management of the Corporation and its affairs and property shall be entrusted to the Board of Directors (sometimes referred to as the "Board"), which shall consist of not less than seven (7) nor more than sixteen (16) Directors who shall be individuals serving as Members of the Corporation. At all times, five (5) of these Directors shall serve ex-officio: the President and CEO; the Chair of the board of directors of L+M Hospital; the Chair of the board of directors of Westerly Hospital; the Chair of the board of directors of VNASC and the Chair of the combined boards of the L+M Physicians entities (the "Ex-Officio Directors"). The remaining Directors (the "Elected Directors") shall include: (a) up to one (1) health care provider on the medical staff from each of the Hospitals selected from a group of five (5) candidates proposed to the Governance Committee by the respective medical staffs, (b) up to six (6) community members from the L+M Hospital service area, and (c) up to three (3) community members from the Westerly Hospital service area. The Elected Directors shall be elected by the Members in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, comprised of as equal a number of Elected Directors per group as possible, so that approximately one-third (1/3) of the Elected Directors shall have terms that expire annually.

Section 3.02. Election and Terms. Elected Directors shall be elected by the Members at the annual meeting of the Members from a slate of nominees prepared by the Governance Committee in accordance with these Bylaws. No nominations from the floor shall be permitted. Except as otherwise provided in these Bylaws, Elected Directors shall serve a term of three (3) years or until their resignation, removal or death. The Members may elect Directors to serve one-year or two-year terms in order to achieve the groupings required by Section 3.01 of these Bylaws.

Section 3.03. Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term.

After serving the maximum time permitted under this Section 3.03, an Elected Director may be re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.

Section 3.04. Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Corporation. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board.

Section 3.05. Removal. An Elected Director may be removed with or without cause by the affirmative vote of two-thirds (2/3) of the Directors present and voting at a meeting at which a quorum is present. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Director.

Section 3.06. Vacancies. A vacancy of an Elected Director may be filled by the Board at any regular or special meeting. The individual elected to fill the vacancy shall be a Member of the Corporation and shall serve until the next annual meeting of the Members at which Directors are elected.

Section 3.07. Duties and Responsibilities. Subject to the rights, powers and privileges accorded to the Members in the Certificate of Incorporation, these Bylaws, or by law, the Board shall manage and direct the business, property, and affairs of the Corporation. The Board shall exercise all of the powers of the Corporation in accordance with these Bylaws. Without limiting the foregoing, the Board of Directors shall have the power to:

(a) Approve an overall philosophy, statement of vision and mission for the System;

(b) Approve the philosophy, mission and values of each Subsidiary and any change thereto;

(c) Adopt strategic plans for the Corporation and each Subsidiary;

(d) Approve annual operating and financial targets, major clinical and/or financial initiatives, and financial plans for the Corporation and each of the Subsidiaries (including capital and operating budgets);

(e) Approve the formation or acquisition of new direct or indirect Subsidiaries, joint ventures or affiliations;

(f) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Corporation and each Subsidiary, and any amendments thereto or restatements thereof;

(g) Approve all core competencies and qualifications required for selection of the Corporation's Directors and the directors of each Subsidiary;

(h) Appoint and remove all Board officers of the Corporation, the President and CEO, and the chief executive officer of each Subsidiary:

(i) Appoint all directors of each Subsidiary, and remove, with or without cause, all directors or board officers of each Subsidiary;

(j) Establish and oversee the System's compliance program;

(k) Select outside executive compensation counsel, approve an executive compensation policy and program, and evaluate executive and physician compensation arrangements to assure compliance with the fair market principles and tests for commercial reasonableness established by the Internal Revenue Service ("IRS");

(l) Approve any change in the Corporation's accounting periods or methods, or those established for the System;

(m) Select and approve any auditor of the annual audited financial statements for the Corporation and its Subsidiaries;

(n) Approve any accounting or debt management programs established for the System, establish any debt limits under such programs, and approve any variances from such programs or limits for the Corporation and the Subsidiaries;

(o) Approve the incurrence of debt or financing by the Corporation or any Subsidiary, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets or pursuant to other guidelines established by the Corporation;

(p) Oversee each Subsidiary's use, management and investment of its permanent and temporarily restricted endowment funds;

(q) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation or any Subsidiary under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(r) Initiate or consent to any form of insolvency proceeding of any entity in the System;

(s) Approve all projects, agreements or transactions undertaken by the Corporation or a Subsidiary involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(t) Approve the services offered by the Subsidiaries, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(u) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Corporation or any Subsidiary;

(v) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Corporation or any Subsidiary;

(w) Approve the acquisition of any real estate or any significant lease arrangement by any Subsidiary, except as otherwise included in a strategic or financial plan or approved budget;

(x) Approve any management contract or outsourcing arrangement for any Subsidiary which would substantially impact or alter its operations;

(y) Approve any change in the primary business name or logo of the Corporation or any entity in the System;

(z) Delegate to the President and CEO any of its powers of review or approval of actions or matters relating to any Subsidiary to the extent permitted by law, the Certificate of Incorporation and these Bylaws; and

(aa) Take such other actions and steps as may be necessary to maintain the long-range financial strength and viability of the System and the Subsidiaries.

Section 3.08. Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Corporation for their reasonable expenses and disbursements in that capacity on behalf of the Corporation.

ARTICLE IV

MEETINGS OF THE BOARD OF DIRECTORS

Section 4.01. Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, immediately following the adjournment of the annual meeting of the Members, unless the Chair shall designate a different date for the annual meeting of Directors. At the annual meeting, the Board shall appoint the officers of the Corporation and the committee members, and shall transact such other business as shall properly come before the meeting. The Board of Directors shall hold at least four (4) meetings in each year, at least one of which shall be the annual meeting. The Board may hold its meetings, annual, regular or special, at such place or places within or without

the State of Connecticut as the Board may from time to time by resolution determine or as shall be specified or fixed in the notice or waiver of notice thereof.

Section 4.02. Notices of Annual and Regular Meetings. The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.

Section 4.03. Special Meetings. Special meetings of the Board may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery or in person at least two (2) days before the scheduled time of the meeting, and no business shall be transacted at such meeting other than that specifically stated in the notice.

Section 4.04. Quorum; Vote Required for Action. A majority of all Directors then in office shall constitute a quorum at all meetings of the Board of Directors. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present and at which time a vote is taken shall be the act of the Board of Directors, unless the vote of a greater number of Directors is required by the Certificate of Incorporation, these Bylaws or by law. Ex-Officio Directors shall be counted in determining a quorum and shall be entitled to vote.

Section 4.05. Action Without Meeting. If all Directors consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the Board. All written consents shall be included in the corporate minutes or filed with the corporate records.

Section 4.06. Remote Participation at a Meeting. Any Director may participate in a meeting by means of a conference telephone or similar communications equipment enabling all Directors participating in the meeting to hear one another, and such participation in a meeting shall constitute presence in person at such meeting.

Section 4.07. Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board of Directors, and minutes of each meeting shall be prepared by the Secretary or a delegate and submitted to the Board for approval. Minutes shall reflect attendance

at the meeting and shall be dated, signed and maintained in the corporate records following approval.

Section 4.08. Executive Session. The Board of Directors may meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors who are employees of the Corporation or any Subsidiary may at the discretion of the Chair be excluded from all or any portion of an executive session.

ARTICLE V

OFFICERS

Section 5.01. Officers and Election. The officers shall be a Chair, the President and CEO, a Secretary, a Treasurer, and such other officers as may from time to time be designated by the Board. The Chair, the Secretary and the Treasurer shall each be chosen from the members of the Board and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines. The offices of Chair, the President and CEO, and the Treasurer shall be held by different individuals.

Section 5.02. Term of Office. Except for the President and CEO, the officers shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting or until their earlier resignation, removal or death.

Section 5.03. Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board of Directors at any meeting of the Board.

Section 5.04. Removal. Any officer may be removed with or without cause at any meeting of the Board by the vote of two-thirds (2/3) of the Directors present and voting at a meeting of the Board, provided that a quorum has been established at such meeting and that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is the removal of the officer.

Section 4.05. Duties and Powers. The duties of the officers shall be as follows:

a. Chair: The Chair, or any Director designated by the Chair, shall preside at all meetings of the Board. The Chair shall perform other duties incident to the office or delegated by the Board or these Bylaws from time to time. The Chair shall be an ex-officio member of all committees.

b. Treasurer. The Treasurer shall supervise the receipt and custody of the Corporation's funds and investments, the maintenance of the financial books and records, including full and accurate accounts of receipts and disbursements, and shall perform such other duties incident to the office or as from time to time may be assigned by the Board or these Bylaws.

c. Secretary: The Secretary shall maintain the minutes of such meetings of the Members, the Board of Directors and of all committees in the corporate records; give, or cause to be given, all notices required by these Bylaws or by law; serve as custodian of and be responsible for authenticating the corporate records; make such records available to the Members and the Board upon request; and, in general, perform all other duties incident to the office of Secretary and such other duties as from time to time may be delegated by the Board or these Bylaws.

d. Other Officers: The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or such other officers as the Board may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.

ARTICLE VI

PRESIDENT AND CEO

Section 6.01. President and CEO. The Board of Directors shall appoint the President and CEO, who shall serve as the chief executive officer of the Corporation. The Board shall establish the objectives, evaluate the performance, and determine the compensation of the President and CEO. The removal of the President and CEO shall be at the discretion of the Board. The President and CEO shall have the responsibilities set forth in Section 6.03, and shall be responsible to the Board of Directors, or to the Chair when the Board is not in session, for the

full executive administration of the Corporation, subject to such policies as may be adopted and such orders as may be issued by the Board of Directors.

Section 6.02. Qualifications for the President and CEO. The Board of Directors shall establish a criteria-based process for selecting a qualified and competent individual to serve as the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Corporation's senior leader. Among other criteria, education and relevant experience are important qualifications.

Section 6.03. Responsibilities of the President and CEO. Subject to the powers expressly reserved to the Board, the President and CEO shall, in general, supervise and control all business and affairs of the Corporation. He or she shall have the power to sign, acknowledge and deliver on behalf of the Corporation all deeds, agreements and other formal instruments. The President and CEO shall be delegated the responsibility for overall management of the Corporation, and shall be given the authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board of Directors. The President and CEO shall see that all orders and resolutions of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be delegated by the Board of Directors or these Bylaws.

Section 6.04. Attendance at Meetings. The President and CEO shall attend all meetings of the Board and the Executive Committee, unless excused by the Chair. The President and CEO shall be an ex-officio member of all committees except the Audit and Compliance Committee and the Executive Compensation Committee.

ARTICLE VII

COMMITTEES

Section 7.01. Generally. The Board shall have the Standing Committees created in Sections 7.02 of these Bylaws and such Additional Committees created by resolution of the Board pursuant to Section 7.03 of these Bylaws.

Section 7.02. Standing Committees. Except as otherwise provided in these Bylaws, Standing Committees may exercise the power of the Board on those matters delegated to them by these Bylaws or by the Board. These committees, which shall be composed exclusively of Directors, shall be the following:

(a) Executive Committee. There shall be an Executive Committee consisting of the Chair, the President and CEO, the Secretary, and the Treasurer. The Chair shall serve as the chair of the Executive Committee. Acts of the Executive Committee shall be ratified by the Board of Directors at its next regular meeting. Except as otherwise provided by law or these Bylaws, the Executive Committee shall have the same authority as the Board of Directors in the intervals between meetings of the Board for time-sensitive matters that the Executive Committee determines must or should be addressed prior to the next Board meeting. In addition, the Executive Committee shall perform such other duties as the Board of Directors may delegate to it. The Chair may designate one or more Directors as alternate members of the Executive Committee who may replace any absent or disqualified member. In addition, if any officer is temporarily absent and has not designated another Board member to fulfill the officer's duties during such an absence, the Executive Committee may make such a designation.

(b) Nominating and Governance Committee. There shall be a Nominating and Governance Committee consisting of not fewer than three (3) Directors who shall be appointed by the Board. The Committee shall review the recommendations it receives pursuant to Section 3.01. Subject to any qualifications and core competencies which it shall develop on behalf of the Board from time to time, the Committee shall identify qualified individuals to serve as Directors of the Corporation and as members of the board of directors of Subsidiaries, or as the President and CEO or as the chief executive officer of any Subsidiary. The Committee shall present a slate of nominees for election at each annual meeting or any meeting at which such Directors will be elected or at which the Board shall elect directors of a Subsidiary. The Committee shall be responsible for the development, education and evaluation activities of the Board of Directors and of the board of directors of any Subsidiaries, shall review the corporate governance documents and policies established for the Corporation and its Subsidiaries, shall oversee and enforce the Corporation's and the Subsidiaries' Conflict of Interest Policy, and shall perform such other duties as the Board of Directors may delegate to it from time to time. The Committee shall have the specific responsibilities and shall follow the procedures set forth in the Nominating and Governance Committee Charter as adopted by the Board and reviewed annually.

(c) Audit and Compliance Committee. There shall be an Audit and Compliance Committee consisting of not fewer than three (3) Directors appointed by the Board. The chair of the Committee shall be appointed by the Chair of the Board. Members of the Committee shall be independent of the management of the Corporation and its affiliates, and free of any relationship that would interfere with their exercise of independent judgment. No person who is then serving

as chair of the Finance Committee or equivalent committee of the Corporation, either of the Hospitals or any other Subsidiary shall be eligible to serve on the Audit and Compliance Committee. The Committee shall assist the Board in fulfilling its oversight responsibility relating to (i) the quality and integrity of the Corporation's and each Subsidiary's financial statements, (ii) the effectiveness of the Corporation's and the Subsidiaries' internal control over financial reporting, (iii) the qualification, independence and performance of, and the Corporation's and the Subsidiaries' relationship with its independent auditors, (iv) the performance of the Corporation's and the Subsidiaries' internal audit functions, (v) the review of risk management policies and procedures, (vi) the Corporation's and the Subsidiaries' compliance with applicable legal and regulatory requirements, and (vii) the effectiveness of its compliance programs. The Audit Committee shall have the specific responsibilities and shall follow the procedures set forth in the Audit Committee Charter as adopted by the Board and reviewed annually.

(d) Executive Compensation Committee. The Executive Compensation Committee shall be comprised of the Chair of the Board and at least three additional (3) Directors who are selected and are determined to be independent by the Board, one of whom shall serve on the Finance Committee. This Committee will be responsible for (i) developing an executive compensation policy, and (ii) reviewing all aspects of the performance of, and for establishing the compensation of, each senior executive or key employee of the System who may be a "disqualified person" potentially subject to intermediate sanctions under Section 4958 of the Code, all of which shall be subject to Board approval. The Executive Compensation Committee shall have the specific responsibilities and shall follow the procedures set forth in the Executive Compensation Committee Charter as adopted by the Board.

(e) Finance Committee. The Finance Committee shall consist of at least three (3) Directors appointed by the Board and such other members as are necessary to properly perform the functions of the Finance Committee. The Treasurer shall be an ex-officio member of the Finance Committee. The Finance Committee may not exercise the authority of the Board, and any acts taken by the Committee shall be solely advisory in nature. The Committee shall be responsible for reviewing the operating and capital budgets of the Corporation and each Subsidiary and make recommendations for the approval such budgets to the Board of Directors. The Committee shall also oversee the management and investment of the endowment and pension funds of the Corporation and each Subsidiary. The Committee shall have the specific responsibilities and shall follow the procedures set forth in the Finance Committee Charter as adopted by the Board.

(f) Standing Committees - Miscellaneous Provisions.

(i) Prohibited Activities. Standing Committees shall not have power to: (i) fill vacancies in the Board of Directors or any Board Committee; (ii) adopt, amend or appeal the Certificate of Incorporation of the Corporation or these Bylaws; (iii) approve a plan of merger, or the sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation; (iv) approve a proposal to dissolve the Corporation; or (v) authorize any action inconsistent with the Certificate of Incorporation or these Bylaws.

(ii) Quorum and Voting Requirements. A majority of all members of a Standing Committee shall constitute a quorum at its meetings. The affirmative vote of a majority of the committee members present at the time the vote is taken shall be the act of such committee, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law.

(iii) Notice Requirements. Notice of the date, time and location of a Standing Committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board of Directors. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board of Directors.

Section 7.03. Additional Committees. In addition to the Standing Committees established by Section 7.02 of these Bylaws, the Board may from time to time establish other committees ("Additional Committees") for the purposes and with the powers and responsibilities conferred by the Board. Such committees shall exist solely at the pleasure of the Board. Any Additional Committee that is authorized to act on behalf of the Board shall be composed exclusively of Directors, all of whom shall be appointed by the Chair, and shall be subject to the requirements of Section 7.02(f) of these Bylaws. Any Additional Committee that is advisory only and does not have the authority to act on behalf of the Board shall consist of at least one (1) Director and two (2) other individuals who may or may not be Directors, all of whom shall be appointed by the Chair.

ARTICLE VIII

CONFLICT OF INTEREST; CONFIDENTIALITY

Section 8.01. "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board of Directors expects Directors to exercise good judgment and follow high ethical standards. Individuals serving the Corporation should never permit private interests to conflict in any way with their obligations to the Corporation and to any entities affiliated with the Corporation. In addition, all members of the Board of Directors must honor the confidential nature of Corporation information and strive to maintain its confidentiality. To this end, from time to time the Board of Directors shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons;" disclosure by members of the Board of Directors; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.

ARTICLE IX

AMENDMENTS

Section 9.01. Amendment. Except as otherwise provided by the Certificate of Incorporation, these Bylaws, or by law, the Board of Directors may adopt, amend, or repeal these Bylaws at any meeting of the Board of Directors by the affirmative vote of a majority of the Directors, provided that notice of the general nature of the proposed action has been given in the notice of the meeting.

ARTICLE X

MISCELLANEOUS

Section 10.01. Principal Office. The principal office of the Corporation shall be located in New London, Connecticut. The Corporation may have other offices within or without the State of Connecticut as the Board of Directors may from time to time determine.

Section 10.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the Certificate of Incorporation or these Bylaws,

or of a resolution of Members or Directors, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Corporation shall cause any such waiver to be filed with or entered upon the records of the Corporation or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon such person's arrival, the person objects to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Adopted at Board of Directors Meeting – November 26, 2012 for Effective date of December 12, 2012

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Corporation

Section 1. The name of the corporation is Lawrence + Memorial Corporation (the "Corporation").

Section 2. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code"). The Corporation shall serve as the parent corporation of a network of health care affiliates in southeastern Connecticut and Rhode Island (the "L+M Network"), and the nature of the activities to be conducted, or the purposes to be promoted or carried out by the Corporation are as follows:

(a) To benefit, perform the functions of, carry out the purposes of, and uphold, promote, develop and further the welfare, programs and activities of the entities affiliated with the L+M Network (the "L+M Entities"), including the following:

(i) initiating, developing, recommending and carrying out for the L+M Entities goals and priorities for new or expanded programs for the benefit of the L+M Network and the communities served by the L+M Network;

(ii) continuously reevaluating, maintaining and revising a master plan for the programs and facilities of the L+M Network;

(iii) considering and recommending the acquisition of properties or the construction of facilities by or for the use of the L+M Entities;

(iv) planning for the acquisition and placement of new facilities and equipment by or for the use of the L+M Entities; and

(v) performing public relations work on behalf of the L+M Network, and soliciting and receiving subscriptions and gifts for the exclusively charitable purposes of the L+M Entities.

(b) To initiate, develop, operate and maintain, for the L+M Network and for other hospitals and health care facilities which are not part of the L+M Network, programs directed toward improving the efficiency of utilization of health care facilities and services in the States of Connecticut and Rhode Island, and in New

London County and surrounding areas in particular, and reducing the cost of health care to the public while maintaining a high quality of such care;

(c) To initiate, develop, operate and maintain educational programs for health professionals and for the public, including programs of nursing education, continuing medical education, residency training and community health education;

(d) To initiate, develop and maintain, in cooperation with the L+M Entities and with other hospitals and health care facilities, and operate directly or through one or more separate corporations, programs for the delivery of health care services to persons other than hospital patients;

(e) To acquire, improve, hold and lease to the L+M Entities and to other hospitals and health care facilities any real or personal property useful to the accomplishment of the purposes of this Corporation, the L+M Entities or such other hospitals or health care facilities;

(f) To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Corporation;

(g) Generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

(h) To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

Section 3. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

Section 4. The Corporation shall have but one member, Yale-New Haven Health Services Corporation, which shall have the rights, powers and privileges provided in the Bylaws

and by the State of Connecticut, including certain expressly reserved powers and retained rights described in the Bylaws.

Section 5. Subject to the rights, powers and privileges accorded to Yale-New Haven Health Services Corporation under the Bylaws and by the State of Connecticut, the Corporation shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Corporation shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Corporation, the terms of elected trustees may be staggered by dividing the trustees into groups so that approximately an equal number of such trustees have terms that expire each year.

Section 6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's trustees, officers or other private persons, except that the Corporation, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 7. Upon any dissolution of the Corporation, all of its property and assets shall, after payment of the lawful debts of the Corporation and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Yale-New Haven Health Services Corporation, as long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution or termination of existence of the Corporation, Yale-New Haven Health Services Corporation is not in existence or does not qualify as an exempt organization under Section 501(c)(3) of the Code, to one or more charitable, scientific or education organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

Section 8. In addition to, and not in derogation of, any other rights conferred by law, a trustee shall not be personally liable for monetary damages for breach of duty as a trustee in an amount greater than the compensation received by such trustee for serving the Corporation during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such trustee, (B) enable such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such trustee to the Corporation

under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or member of the Corporation shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 9. The Corporation shall provide its trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Corporation shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Corporation under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation.

The Corporation may indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Corporation is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Section 10. The Bylaws of the Corporation may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Board of Trustees and the member.

LAWRENCE + MEMORIAL CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201_

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 2
Section 3.3 Number 3
Section 3.4 Election of Trustees 3
Section 3.5 Term and Term Limits 3
Section 3.6 Resignation 4
Section 3.7 Removal 4
Section 3.8 Vacancies 4
Section 3.9 Meetings 4
Section 3.10 Notice of Meetings 5
Section 3.11 Waiver of Notice 5
Section 3.12 Action by Unanimous Written Consent 5
Section 3.13 Participation by Conference Call 5
Section 3.14 Quorum and Voting 5
ARTICLE IV. OFFICERS 6
Section 4.1 Officers 6
Section 4.2 Election and Term of Office 6
Section 4.3 Powers 6
Section 4.4 Resignation and Removal 7
Section 4.5 Vacancies 7
Section 4.6 Other Officers 7
ARTICLE V. COMMITTEES 7
Section 5.1 Classification 7
Section 5.2 Appointment of Committee Members 8
Section 5.3 Committee Governance 8
Section 5.4 Standing Committees 8
Section 5.6 Other Committees 9
Section 5.7 Powers of Committees 9
ARTICLE VI. INDEMNIFICATION 9
ARTICLE VII. CONFLICTS OF INTEREST 9
ARTICLE VIII. MISCELLANEOUS PROVISIONS 10
Section 8.1 Fiscal Year 10
Section 8.2 Execution of Deeds and Contracts 10
Section 8.3 Execution of Negotiable Instruments 10

ARTICLE IX. AMENDMENTS 10
EXHIBIT A 11
EXHIBIT B 13

LAWRENCE + MEMORIAL CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Lawrence + Memorial Corporation** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Member (or his or her designee);

(ii) the President of the Corporation;

(iii) the Chair of the Board of Lawrence + Memorial Hospital, Inc. ("L+M Hospital");

(iv) the Chair of the Board of LMW Healthcare, Inc., doing business as Westerly Hospital ("Westerly Hospital"); and

(v) the Chair of the Board of Visiting Nurse Association of Southeastern Connecticut, Inc. ("VNASC").

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

Section 3.3 Number. The Board shall consist of no fewer than eight (8) nor more than seventeen (17) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include:

(a) up to three (3) health care providers on the Medical Staffs of L+M Hospital and Westerly Hospital who shall be selected from a group of five (5) candidates proposed to the Nominating and Governance Committee by each of the respective Medical Staffs, provided that at least one (1) such Elected Trustee shall be on the Medical Staff of L+M Hospital and at least one (1) such Elected Trustee shall be on the Medical Staff of Westerly Hospital;

(b) Up to six (6) community members from the L+M Hospital service area; and

(c) Up to three (3) community members from the Westerly Hospital service area.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an

additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member and may be filled at any time in accordance with the process set forth in Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 **Meetings**.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings.** Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President/Chief Executive Officer of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President/Chief Executive Officer of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the

Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board. The appointed President shall serve at the pleasure of the Member.

The President shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staffs of L+M Hospital and Westerly Hospital, Corporation personnel and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President/Chief Executive Officer of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Nominating and Governance Committee.

The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 **Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Every committee of the Board shall include among its members a representative of the Member, who shall be appointed by the President/Chief Executive Officer of the Member and who shall have a vote and be included for purposes of determining a quorum.

Section 5.3 **Committee Governance**.

(a) **Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 **Standing Committees**.

(a) **Executive Committee**. The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, a member of the Board selected by the Member, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Finance Committee**. The Finance Committee shall consist of at least three (3) Trustees, including the Treasurer, a member of the Board selected by the Member, and such other members as are necessary to properly perform the functions of the Finance Committee. The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation.

(c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall develop recommended criteria for membership on the Board and on committees of the Board. The Nominating and Governance Committee shall, after

consultation with the President, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees. The Nominating and Governance Committee shall also periodically review of Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process. The composition of the Nominating and Governance Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

(d) **Executive Compensation Committee.** The Executive Compensation Committee shall set compensation for executives of the Corporation (other than the President and any other officer whose compensation is set by the Member) who are in a position to exercise substantial influence over the affairs of the Corporation as determined by the Executive Compensation Committee. The Executive Compensation Committee shall obtain and rely upon appropriate comparability data, including from the Member, in making its compensation decisions, and shall ensure that such compensation decisions are in compliance with the laws relating to organizations described in Section 501(c)(3) of the Internal Revenue Code. The composition of the Executive Compensation Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

Section 5.6 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with

the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts.** Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments.** All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member.

EXHIBIT A

Actions Requiring Approval of Both the Board and the Member

Notwithstanding anything in these Bylaws to the contrary and except as otherwise provided in Exhibit B relating to the direct authority retained by the Member, the following actions may only be taken with both the prior approval of the Board and the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate, which will comport with the strategic planning processes and strategic plans established by the Member; and

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member.

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws.

EXHIBIT B

Direct Authority Retained by the Member

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the President consistent with Section 4.3(a), which requires prior consultation with the Board.

Other Major Activities Requiring the Approval of the Member

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with the Board of this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this

section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

SECRETARY OF THE STATE
30 TRINITY STREET
P.O. BOX 150470
HARTFORD, CT 06115-0470

JANUARY 30,2012

ATTN: JON BOWLING
CSC THE UNITED STATES CORPORATION
59 DOGWOOD ROAD
WETHERSFIELD, CT 06109

RE: Acceptance of Business Filing

This letter is to confirm the acceptance of a filing for the following business:

YALE-NEW HAVEN HOSPITAL, INC.

Work Order Number: 2012028544-006
Business Filing Number: 0004514101
Type of Request: CERTIFICATE OF AMENDMENT
File Date/Time: JAN 27 2012 01:30 PM
Effective Date/Time: JAN 27 2012 01:30 PM
Work Order Payment Received: 835.00
Payment Received: 70.00

Business Id: 0267779

PATRICIA SHANAHAN
Commercial Recording Division
860-509-6037
WWW.CONCORD.SOTS.CT.GOV

SECRETARY OF THE STATE OF CONNECTICUT

MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, P.O. BOX 150470, HARTFORD, CT 06115-0470
DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, HARTFORD, CT 06106
PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT

NONSTOCK CORPORATION

FILING #0004514101 PG 01 OF 03 VOL B-01600
FILED 01/27/2012 01:30 PM PAGE 02263
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 8

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS AD*

NAME: Rebecca A. Matthews, Esq.
ADDRESS: Wiggin and Dana LLP
265 Church Street, 17th Floor
CITY: New Haven
STATE: CT ZIP: 06510

MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"

1. NAME OF CORPORATION:

Yale-New Haven Hospital, Inc.

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C):*

☒ A. AMENDED

☐ B. RESTATED

☐ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

Please see attached.

FORM CAN-1-1.0
Rev. 7/2010

DOHP0086

4. VOTE INFORMATION *(CHECK A,B or C)*

☒ **A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.**

☐ **B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.**

☐ **C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.**

5. EXECUTION:

DATED THIS 27th **DAY OF** January **, 20** 12

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
William J. Aseltyne	SVP and General Counsel, Assistant Secretary	

FILING #0004514101 PG 03 OF 03 VOL B-01600
FILED 01/27/2012 01:30 PM PAGE 02265
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

EXHIBIT TO CERTIFICATE OF AMENDMENT

TEXT OF EACH AMENDMENT/RESTATEMENT:

The Section regarding members (Section 4) is deleted in its entirety and replaced with the following:

The classes, rights, privileges, qualifications and the manner of election or appointment of members shall be as follows:

a. Voting Member. The corporation shall have but one voting member, YNH Network Corporation, which shall have the right to elect the board of trustees in accordance with the bylaws, the sole right to fill vacancies on the board of trustees, and all of the other rights, powers and privileges usually or by law accorded to the members of a nonstock nonprofit corporation and not conferred thereby or by the certificate of incorporation or bylaws upon the board of trustees of the corporation.

b. Honorary Members. The rights, privileges, qualifications, obligations and the manner of election or appointment of honorary members shall be as provided in the bylaws of the corporation, but honorary members shall not be entitled to vote on any matter.

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office

In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 20th day of January A.D. 2012

SECRETARY OF THE STATE

YALE-NEW HAVEN HOSPITAL, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of May 16, 2014

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
Section 2.4 Honorary Members 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 2
Section 3.3 Number 3
Section 3.4 Election of Trustees 3
Section 3.5 Term and Term Limits 3
Section 3.6 Resignation 4
Section 3.7 Removal 5
Section 3.8 Vacancies 5
Section 3.9 Meetings 5
Section 3.10 Notice of Meetings 5
Section 3.11 Waiver of Notice 5
Section 3.12 Action by Unanimous Written Consent 5
Section 3.13 Participation by Conference Call 6
Section 3.14 Quorum and Voting 6
ARTICLE IV OFFICERS 6
Section 4.1 Officers 6
Section 4.2 Election and Term of Office 6
Section 4.3 Powers 6
Section 4.4 Resignation and Removal 7
Section 4.5 Vacancies 8
Section 4.6 Other Officers 8
ARTICLE V. COMMITTEES 8
Section 5.1 Classification 8
Section 5.2 Appointment of Committee Members 8
Section 5.3 Committee Governance 8
Section 5.4 Standing Committees 8
Section 5.6 Other Committees 10
Section 5.7 Powers of Committees 10
ARTICLE VI. INDEMNIFICATION 10
ARTICLE VII. CONFLICTS OF INTEREST 10
ARTICLE VIII. MISCELLANEOUS PROVISIONS 10
Section 8.1 Fiscal Year 10
Section 8.2 Execution of Deeds and Contracts 10
Section 8.3 Execution of Negotiable Instruments 10

Section 8.4 Auxiliary 11
Section 8.5 Department Chiefs 11
ARTICLE IX. AMENDMENTS 11
EXHIBIT A 12
EXHIBIT B 14

YALE-NEW HAVEN HOSPITAL, INC.
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 **Name**. The name of the corporation is **Yale-New Haven Hospital, Inc.** (the "Corporation").

Section 1.2 **General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 **Member**. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member").

Section 2.2 **Rights, Powers and Privileges**. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

Section 2.4 Honorary Members. All surviving incorporators of the Corporation, all living persons who have been directors or trustees of the Corporation, and any additional persons as the Board may elect at any time shall be considered honorary members. Honorary members shall not be entitled to vote and shall not be entitled to receive notice of or attend meetings of the Board or of the Member. Honorary members shall not have any rights as a "member" under the Nonstock Act or as the "Member" hereunder.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. The Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff") and shall hold the Medical Staff responsible for recommendations concerning medical matters. The Board, acting on recommendation of the Patient Safety and Clinical Quality Committee, shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Except as provided in Section 3.4 as it relates to nominations made in accordance with the Affiliation Agreement with Yale University, Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be

the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Member who shall also be the Chief Executive Officer of the Corporation;

(ii) the Chief of the Medical Staff of the Corporation; and

(ii) if so determined by the Member, the Chief Operating Officer.

Section 3.3 Number. The Board shall consist of no fewer than twelve (12) nor more than twenty-seven (27) Trustees, inclusive of Ex Officio Trustees; provided, however, that if the Member determines that the Chief Operating Officer shall serve as an Ex Officio Trustee, the maximum number of Trustees shall be twenty-eight (28). The number of Trustees within the range set forth in the preceding sentence shall be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors consistent with the following:

(a) At all times, not less than one-fourth nor more than one-third of the total number of Trustees on the Board (Elected Trustees and Ex Officio Trustees) shall be individuals nominated by Yale University, which nominees shall be elected by the Member. The exact number within such limited to be nominated by Yale University shall be determined from time to time by the Board in consultation with Yale University. If such one-fourth is an integer and a fraction, the minimum number of Trustees to be elected on nomination of Yale University shall be such integer plus one. If such one-third is an integer and a fraction, the maximum number of Trustees to be elected on nomination of Yale University shall be such integer and the fraction shall be disregarded.

(b) All other Elected Trustees shall be elected from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Each class of Elected Trustees shall include at least one (1) Trustee elected on nomination of Yale University. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or

(ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided, however, that a Trustee may be re-elected for one or more additional consecutive terms if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or

(ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

(d) The provisions of paragraphs (a) and (b) of this Section shall not apply to any Trustee elected on nomination of Yale University who is a member of the Yale Corporation or is an officer of Yale University, or both. Any such individual may be renominated by Yale University and elected for more than three (3) successive terms.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any

Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. If the vacancy results from the death, resignation or removal of a Trustee elected on nomination of Yale University, the successor shall be elected by the Member on nomination of Yale University. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or the Chief Executive Officer and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President/Chief Executive Officer of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President/Chief Executive Officer of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the

minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a Chief Operating Officer, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair, any Vice Chair and the Secretary shall be members of the Board.

Section 4.2 Election and Term of Office. The Chief Executive Officer and the Chief Operating Officer shall be appointed in accordance with Section 4.3(a) and 4.3(b), respectively, of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **Chief Executive Officer**. The Chief Executive Officer of the Member shall automatically and without further action of the Board or the Member be the Chief Executive Officer of the Corporation.

The Chief Executive Officer shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The Chief Executive Officer shall act as the

duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the Chief Executive Officer shall be defined in a written statement adopted by the Member in consultation with the Board.

The Chief Executive Officer shall be a voting member of all standing committees except as otherwise specified in these Bylaws.

(b) **Chief Operating Officer**. The Chief Operating Officer of the Corporation shall be appointed by the Member, following consultation with the Board and shall serve at the pleasure of the Member. If so determined by the Member, the Chief Operating Officer may also have the title of President. The Chief Operating Officer of the Corporation shall have such duties for management as may be determined by the Board and the Chief Executive Officer.

The Chief Operating Officer shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, hospital personnel and the community.

(c) **Chair**. The Chair of the Board shall preside at meetings of the Board. The Chair shall be a voting member of all committees except the Nominating and Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(d) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(f) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that each of the Chief Executive Officer and the Chief Operating Officer may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 **Vacancies**. In the case of the death, resignation or removal of any officer, except the Chief Executive Officer or Chief Operating Officer, the vacancy may be filled by the Board for the unexpired term. A vacancy in the office of Chief Executive Officer or Chief Operating Officer shall be filled in accordance with Section 4.3(a) or 4.3(b), as applicable.

Section 4.6 **Other Officers**. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 **Classification**. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 **Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Each committee shall be chaired by a member of the Board.

Section 5.3 **Committee Governance**.

(a) **Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 **Standing Committees**.

(a) **Executive Committee**. The Executive Committee shall consist of the Chair, the Vice Chair(s), the Chief Executive Officer, the Secretary, the Treasurer (if an

individual and a member of the Board), and any other member of the Board of Trustees that the Board may choose to appoint. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as my otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Compensation Committee.** The Compensation Committee shall set compensation for executives of the Corporation (other than the Chief Executive Officer, the Chief Operating Officer, and any other officer whose compensation is set by the Member) who are in a position to exercise substantial influence over the affairs of the Corporation as determined by the Committee. The Committee shall obtain and rely upon appropriate comparability data, including from the Member, in making its compensation decisions, and shall ensure that such compensation decisions are in compliance with the laws relating to organizations described in Section 501(c)(3) of the Internal Revenue Code.

(c) **Patient Safety and Clinical Quality Committee**. The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration.

(d) **Finance Committee**. The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation, all subject to the rights of the Member set forth in Exhibit A and Exhibit B.

(e) **Nominating and Governance Committee**. The Nominating and Governance Committee shall consist of Trustees elected by the Board on nomination of the Chair in consultation with the Executive Committee. The Nominating and Governance Committee shall, after consultation with the Chief Executive Officer, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees except as otherwise provided in these Bylaws. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(f) **Development Committee**. The Development Committee shall have such duties as are delegated to it by the Board. These duties include oversight of fundraising activities of the Corporation, community relations and advocacy, consistent with the activities of the Yale New Haven Health System.

Section 5.6 **Other Committees**. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 **Powers of Committees**. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Member, Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the Chief Executive Officer or Chief Operating Officer or such other officers or officers as may be specified by the Board or authorized by the Chief Executive Officer.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the Chief Executive Officer or Chief Operating Officer or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There shall be, as an integral part of the Corporation, an auxiliary to be known as the Yale-New Haven Hospital Auxiliary (the "Auxiliary"). The Auxiliary shall be organized and governed according to rules approved by the Board and subject to the authority of the Board. The Auxiliary shall provide volunteer support services for the benefit of Yale-New Haven Hospital and its patients and shall promote the health and welfare of the community. The services of the Auxiliary shall be consistent with such policies as may be fixed from time to time by the Board. The Auxiliary shall adopt bylaws for the conduct of its activities, subject to the review and approval by the Board.

Section 8.5 **Department Chiefs**. The Corporation shall consult with the Member regarding the recruitment and selection of all Department Chiefs or other comparable positions at the Corporation and/or any of its Affiliates. Notwithstanding anything herein to the contrary, all appointments of Department Chiefs shall be made in accordance with the Affiliation Agreement between the Corporation and Yale University dated March 22, 1965 and any amendments thereto.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member. Any amendment, alteration or repeal of these Bylaws shall be consistent with the Affiliation Agreement between the Corporation and Yale University dated March 22, 1965 and any amendments thereto.

EXHIBIT A

Actions Requiring Approval of the Member

Notwithstanding anything in these Bylaws to the contrary, neither the Board nor any officer or employee of the Corporation may take any of the following actions, or approve an Affiliate taking any of the following actions, without the prior approval of the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate and the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate; and

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member.

Other Major Activities

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws and the Bylaws of the Member.

EXHIBIT B

Direct Authority Retained by the Member

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the Chief Operating Officer consistent with Sections 4.3(b).

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office.
In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 16th day of May A.D. 2014

SECRETARY OF THE STATE

SECRETARY OF THE STATE
30 TRINITY STREET
P.O. BOX 150470
HARTFORD, CT 06115-0470

MAY 16,2014

CSC THE UNITED STATES CORPORATION
59 DOGWOOD ROAD
WETHERSFIELD, CT 06109

RE: ACCEPTANCE OF BUSINESS FILING

THIS LETTER IS TO CONFIRM THE ACCEPTANCE OF A FILING FOR THE FOLLOWING BUSINESS:

BRIDGEPORT HOSPITAL

WORK ORDER NUMBER: 20141447l3-007
BUSINESS FILING NUMBER: 0005107625
TYPE OF REQUEST: CERTIFICATE OF AMENDMENT
FILE DATE/TIME: MAY 15 2014 03:00 PM
EFFECTIVE DATE/TIME: MAY 16 2014 12:01 AM
WORK ORDER PAYMENT RECEIVED: 1085.00
PAYMENT RECEIVED: 70.00

BUSINESS ID: 0265134

ANNA GOLDBLATT
Commercial Recording Division
860-509-6003
WWW.CONCORD.SOTS.CT.GOV

BUSINESS FILING REPORT

WORK ORDER NUMBER:2014144713-007
BUSINESS FILING NUMBER: 0005107625

BUSINESS NAME:

BRIDGEPORT HOSPITAL

BUSINESS LOCATION:

267 GRANT STREET
BRIDGEPORT,CT 06610

MAILING ADDRESS:

BRIDGEPORT HOSPITAL
ATTN: LEGAL DEPT.
267 GRANT STREET
BRIDGEPORT,CT 06610

PRINCIPAL INFORMATION FOR UP TO THREE PRINCIPALS:

NAME:WILLIAM M. JENNINGS
TITLE:PRESIDENT & CEO

NAME:NORMAN ROTH
TITLE:SECRETARY

NAME:DAVID BINDELGLASS, MD
TITLE:DIRECTOR

** END OF REPORT **

FILING #0035407625 PG 01 OF 05 VOL B-01939
FILED 05/15/2014 03:30 PM PAGE 02171
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

SECRETARY OF THE STATE OF

MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICU

DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY [illegible]

PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT
NONSTOCK CORPORATION

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 8 1/2 X 11 SHEETS IF NECESSARY

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS ADDRESS)*:

NAME: Rebecca Mathews
ADDRESS: Wiggin and Dana LLP
265 Church Street
CITY: New Haven
STATE: CT ZIP: 06510

FILING FEE: $20

MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"

1. NAME OF CORPORATION:

Bridgeport Hospital

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C)*

☐ A. AMENDED

☐ B. RESTATED

☒ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

The Certificate of Incorporation is amended and restated in its entirety to read as set forth on Exhibit A, such amendment and restatement to be effective as of 12:01 a.m. on May 16, 2014

FORM CAN-1-1.0
Rev. 7/2010

05/15/2014 THU 14:58 [TX/RX NO 9098] 002

DOHP0110

FILING #0005107625 PG 01 OF 05 VOL B-01939
FILED 05/15/2014 03:00 PM PAGE 01172
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

4. VOTE INFORMATION (CHECK A,B or C)

[X] A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.

[ ] B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.

[ ] C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.

5. EXECUTION:

DATED THIS 8th DAY OF May, 20 14

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
William M. Jennings	President and Chief Executive Officer	[signature]

FORM CAN-1-1.0
Rev. 7/2010

FILING #0005107625 PG 03 OF 08 VOL B-01939
FILED 05/15/2014 03:00 PM EACH 01178
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

EXHIBIT A

Amended and Restated Certificate of Incorporation of Bridgeport Hospital

1. Incorporation. P.T. Barnum, Samuel W. Baldwin, Sidney Bishop, George L. Porter, F.B. Hall, Goodwin Stoddard, R.W. Bunnell, B.F. Bishop, R.J. White, S.B. Beardsley, H.B. Drew, A.S. Treat, E.L. Gaylord, William B. Hinks, C.B. Hotchkiss, Hanford Lyon, Jarratt Morford, and S.C. Trubee, and all such persons as are from time to time associated with them, for the purpose of establishing and maintaining a hospital in or near the City of Bridgeport, and their successors, are hereby incorporated for said purpose, and make a body corporate and politic by the name of Bridgeport Hospital, and by that name shall be capable of suing and being sued, pleading and being impleaded, and may purchase, take, receive, hold, sell, mortgage and convey estate, real and personal, to such an amount as may be necessary or useful for the purpose of said Hospital.

2. Purposes. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Hospital, in addition to those stated in Section 1 herein, shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time (the "Code"), and for such purposes the Hospital may engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act"). In furtherance of the foregoing, the Hospital shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through the Hospital and its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Hospital's charitable purposes and the charitable purposes of all System affiliates.

3. Membership. The Hospital shall have but one member, Yale-New Haven Health Services Corporation, which shall have the rights, powers and privileges provided in the Bylaws and by the State of Connecticut, including certain expressly reserved powers and retained rights described in the Bylaws.

4. Type of Organization. The Hospital is non-profit and shall not have or issue shares of stock or pay dividends.

5. Duration of Hospital. The duration of the Hospital is unlimited.

6. Restrictions on Activities. No part of the net earnings of the Hospital shall inure to the benefit of, or be distributable to, the Hospital's member, trustees, officers or other private persons, except that the Hospital shall be authorized and empowered to pay reasonable

FILING #0000518425 FS 04 OF 05 VOL E-01939
FILED 05/15/2014 02:06 PM PAGE 00174
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CONNECTICUT SECRETARY OF THE STATE

compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Sections 1 and 2 hereof. No substantial part of the activities of the Hospital shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Hospital shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision herein, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

7. Dissolution. Upon any dissolution or termination of the existence of the Hospital, all of its property and assets shall, after payment of the lawful debts of the Hospital and the expenses of its dissolution or termination, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Yale-New Haven Health Services Corporation, as long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution or termination of existence of the Hospital, Yale-New Haven Health Services Corporation is not in existence or does not qualify as an exempt organization under Section 501(c)(3) of the Code, to one or more charitable, scientific or educational organizations located in the service area of Bridgeport Hospital and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

8. Board of Trustees. Subject to the rights, powers and privileges accorded to Yale-New Haven Health Services Corporation under the Bylaws and by the State of Connecticut, the Hospital shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Hospital shall be ex-officio Trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Hospital, the terms of elected Trustees may be staggered by dividing the Trustees into groups so that approximately an equal number of such Trustees have terms that expire each year. Trustees may be removed by Yale-New Haven Health Services Corporation for cause as set forth in the Bylaws.

9. Limited Liability of Trustees. In addition to, and not in derogation of, any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the compensation received by such Trustee for serving the Hospital during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such Trustee, (B) enable such Trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such Trustee to the Hospital under circumstances in which such Trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such Trustee's duty to the Hospital. Any

05/15/2014 THU 14:58 [TX/RX NO 0898] 005

BRIDGEPORT HOSPITAL

AMENDED AND RESTATED BYLAWS

Amended and Restated as of May 16, 2014

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 2
Section 3.3 Number 3
Section 3.4 Election of Trustees 3
Section 3.5 Term and Term Limits 3
Section 3.6 Resignation 4
Section 3.7 Removal 4
Section 3.8 Vacancies 4
Section 3.9 Meetings 5
Section 3.10 Notice of Meetings 5
Section 3.11 Waiver of Notice 5
Section 3.12 Action by Unanimous Written Consent 5
Section 3.13 Participation by Conference Call 5
Section 3.14 Quorum and Voting 5
ARTICLE IV. OFFICERS 6
Section 4.1 Officers 6
Section 4.2 Election and Term of Office 6
Section 4.3 Powers 6
Section 4.4 Resignation and Removal 7
Section 4.5 Vacancies 7
Section 4.6 Other Officers 7
ARTICLE V. COMMITTEES 7
Section 5.1 Classification 7
Section 5.2 Appointment of Committee Members 8
Section 5.3 Committee Governance 8
Section 5.4 Standing Committees 8
Section 5.6 Other Committees 9
Section 5.7 Powers of Committees 9
ARTICLE VI. INDEMNIFICATION 10
ARTICLE VII. CONFLICTS OF INTEREST 10
ARTICLE VIII. MISCELLANEOUS PROVISIONS 10
Section 8.1 Fiscal Year 10
Section 8.2 Execution of Deeds and Contracts 10
Section 8.3 Execution of Negotiable Instruments 10
Section 8.4 Auxiliary 10

Section 8.5 Department Chairs 10
ARTICLE IX. AMENDMENTS 11
EXHIBIT A 12
EXHIBIT B 14

BRIDGEPORT HOSPITAL
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Bridgeport Hospital** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. The Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff") and shall hold the Medical Staff responsible for recommendations concerning medical matters. The Board, acting on recommendation of the Professional and Quality Review Committee, shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office. The President/CEO of the Member (or his or her designee), the President/CEO of the Corporation, and the President of the Medical Staff shall be Ex Officio Trustees. Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants**. The Member shall elect four (4) physicians to serve as "non-voting physician trustees." Non-voting physician trustees shall not be counted in

determining the presence of a quorum and shall not have the right to vote on any matters that come before the Board. Non-voting physician trustees shall not be considered in calculating the number of trusteeships under Section 3.3 and shall not be considered "Trustees" for any purpose hereunder, except that they shall receive notice of, and have the right to attend and speak at, meetings of the Board and serve on committees.

Section 3.3 Number. The Board shall consist of no fewer than ten (10) nor more than nineteen (19) Trustees, such number to be determined from time to time by the Member. Non-physician trustees elected in accordance with Section 3.2(c) shall not be considered in calculating the number of trusteeships hereunder.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Notwithstanding anything herein to the contrary:

(a) The number of voting Trustees on the Board (including Ex Officio Trustees) shall include no more than that number of physicians as equals one (1) fewer than twenty percent (20%) of the total number of voting Trustees on the Board (as determined by the Member in accordance with Section 3.3), consistent with legal requirements; and

(b) Physicians elected to the Board (whether as voting Trustees or as non-voting physician trustees) shall be selected from among physicians nominated by the Medical Executive Committee of the Medical Staff, which shall nominate no fewer than two (2) physicians for each position being considered.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique

expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

Non-voting physician trustees shall be elected for three (3) year terms, subject to the restrictions outlined above.

Section 3.6 Resignation. Any Elected Trustee or non-voting physician trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees or non-voting physician trustees may be removed from the Board with cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee or non-voting physician trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any five (5) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees

present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a President/CEO, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees.

Section 4.2 **Election and Term of Office**. The President/CEO shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Director Affairs Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified; provided, however, that no individual will serve in the office of Chair or Vice Chair for more than four (4) consecutive one year terms. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President/CEO**. The President/CEO of the Corporation shall be appointed by the Member, following consultation with the Board. The appointed President/CEO shall be the Chief Executive Officer of the Corporation and shall serve at the pleasure of the Member.

The President/CEO shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel and the community.

The President/CEO shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President/CEO shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President/CEO shall be defined in a written statement adopted by the Member in consultation with the Board.

The President/CEO shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President/CEO shall be employed by the Member and shall report to the Chief Executive Officer of the Member as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Director Affairs Committee. The Chair

shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President/CEO of the Corporation may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President/CEO, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President/CEO shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Director Affairs Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law. With respect to the Professional and Quality Review Committee, a majority of the committee members who are also Trustees shall constitute a quorum at meetings of such committee and the act of a majority of such committee members shall be required for action by such committee.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Management Affairs Committee.** The Management Affairs Committee shall consist of the President/CEO, the Chair, the immediate past Chair (provided that such individual is a member of the Board), a member of the Board selected by the Member, and any other member of the Board that the Board may choose to appoint. The Management Affairs Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Professional and Quality Review Committee.** The Professional and Quality Review Committee shall consist of no fewer than two (2) Trustees and such other individuals as may be determined by the Board. The Professional and Quality Review Committee shall have such duties as are delegated to it by the Board. These duties include the review of recommendations of the Medical Staff concerning appointments, reappointments, and renewals or modifications of clinical privileges. Following such review, the Professional and Quality Review Committee shall make recommendations thereon to the Board. In order to expedite appointment and reappointment to the Medical Staff and renewal or modification of clinical privileges, the Professional and Quality Review Committee shall have the power to render decisions on such matters following a positive recommendation from the Medical Staff Executive Committee, subject to ratification at the next meeting of the Board. Other delegated

duties are set forth in the Medical Staff Bylaws. The Professional and Quality Review Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of the highest quality and most effective patient care. The Professional and Quality Review Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration.

(c) **Finance Committee**. The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation.

(d) **Director Affairs Committee**. The Director Affairs Committee shall develop recommended criteria for membership on the Board and on committees of the Board. The Director Affairs Committee shall, after consultation with the President/CEO, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees. The Director Affairs Committee shall also periodically review of Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(e) **Joint Conference Committee**. The Joint Conference Committee shall consist of the Chair, who shall act as chair of the Committee, the President/CEO, two (2) additional Trustees, and three (3) members of the Medical Staff Executive Committee (who shall be recommended by the Chair of the Medical Staff Executive Committee). The Joint Conference Committee shall be convened at the request of the Chair to facilitate resolution of conflicts among the Medical Staff, the Board and administration, or such other matters deemed important by the Chair. In resolving conflicts, the Joint Conference Committee shall follow a conflict management process and philosophy consistent with applicable Joint Commission standards.

Section 5.6 **Other Committees**. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 **Powers of Committees**. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Management Affairs Committee and the Professional and Quality Review Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President/CEO or such other officers or officers as may be specified by the Board or authorized by the President/CEO.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President/CEO or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 **Department Chairs**. The Corporation shall consult with the Member regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member.

EXHIBIT A

Actions Requiring Approval of the Member

Notwithstanding anything in these Bylaws to the contrary, neither the Board nor any officer or employee of the Corporation may take any of the following actions, or approve an Affiliate taking any of the following actions, without the prior approval of the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate; and

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member.

Other Major Activities

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws and the Bylaws of the Member.

EXHIBIT B

Direct Authority Retained by the Member

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the President/Chief Executive Officer consistent with Section 4.3(a).

CERTIFICATE OF AMENDMENT

NONSTOCK CORPORATION

Office of the Secretary of the State

30 Trinity Street/P.O. Box 150470/Hartford, CT 06115-0470/new/1-97

Space For Office Use Only

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FILED 05/24/1999 02:13 PM PAGE 01504
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

1. NAME OF CORPORATION:

The Greenwich Hospital Association

2. THE CERTIFICATE OF INCORPORATION IS (check A., B. or C.):

_X_ A. AMENDED.

____ B. AMENDED AND RESTATED.

____ C. RESTATED.

3. TEXT OF EACH AMENDMENT/RESTATEMENT (include date on which each amendment was approved):

On December 15, 1998, the Board of Trustees of The Greenwich Hospital Association adopted a resolution approving the amendment of said corporation's Certificate of Incorporation to delete Article 1 and insert the following in its place and stead:

"1. The name of the corporation is Greenwich Hospital (the "Hospital")."

(Please reference an 8 1/2 X 11 attachment if additional space is needed)

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FILED 05/24/1999 02:13 PM PAGE 01505
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

4. VOTE INFORMATION (check/complete A., B. or C.)

__X__ A. The resolution was approved by members who voted as follows:

Complete if no members were entitled to vote as a class

Number of votes cast in favor of the amendment	Number of votes cast against the amendment
1	0

Complete if members were entitled to vote as a class

Designation of each class of members entitled to vote separately	Number of votes cast in favor of the amendment	Number of votes cast against the amendment

(Member votes in favor of adopting the amendment(s) provided above were sufficient for approval.)

_____ B. The amendment was adopted by sufficient vote of the board of directors without member vote. No member vote was required.

_____ C. The amendment was adopted by sufficient vote of the incorporators.

5. EXECUTION

Dated this 14th day of May, 1999

Frank A. Corvino	President and Chief Executive Officer	
Print or type name of signatory	Capacity of signatory	Signature

31838131.DOC 05/14/99

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FILED 03/27/1998 03:00 PM PAGE 02635
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

CERTIFICATE OF INCORPORATION

OF

THE GREENWICH HOSPITAL ASSOCIATION

1. The name of the corporation is The Greenwich Hospital Association (the "Hospital").

2. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Hospital shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, or the corresponding provision of any future United States Internal Revenue law (the "Code"), and shall include, but not be limited to, the following:

A. to maintain and operate a hospital and related facilities that will be the focus of the medical care in the Town of Greenwich, Connecticut and its defined service area; to serve as leader, working cooperatively with other resources, in education in the areas of health, wellness and disease prevention; and to carry on such other activities related to the care of the sick or injured or related to meeting the health needs of, and promoting health education and health care activities in, its service area which in the opinion of the Board of Trustees may be justified or desireable

B. To initiate, develop, operate and maintain, for the Hospital and for other hospitals and health care facilities, programs directed toward improving the efficiency of utilization of health care facilities and services in the State of Connecticut, and in the Town of Greenwich and surrounding areas in particular.

C. To initiate, develop, operate and maintain educational programs for health professionals and for the public, including programs of nursing education, continuing medical education, residency training and community health education.

D. To initiate, develop, operate and maintain, for the Hospital and in cooperation with other hospitals and health care facilities, programs for the delivery of health care services to persons other than hospital patients; and to further this objective, to operate, directly or through one or more separate corporations, one or more neighborhood health centers, retirement centers, nursing homes, home care agencies,

rehabilitation centers, industrial health facilities, health maintenance organizations, surgicenters and similar programs and facilities.

E. To acquire, improve, hold and lease any real or personal property useful to the accomplishment of the purposes of the Hospital, Greenwich Health Care Services, Inc. or any other hospitals or health care facilities.

F. To solicit, receive, accept, maintain and administer public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Hospital, including without limitation funds from The Greenwich Hospital Foundation, Inc.

G. To the extent a corporation organized under the Connecticut Revised Nonstock Corporation Act (the "Act") may now or hereafter lawfully do so, to carry on any other activity in connection with the foregoing, to do everything necessary, suitable, convenient or proper for, in connection with, or incident to the accomplishment of any of the purposes or the attainment of any one or more of the objectives herein enumerated or designed directly or indirectly to promote the interests of the Hospital, and to engage in any lawful act or activity for which a corporation may be organized under the Act so long as such act or activity is charitable, scientific, literary and/or educational within the meaning of Section 501(c)(3) of the Code.

3. The Hospital is nonprofit and shall not have or issue shares of stock or make distributions.

4. The Hospital shall have a single class of members, consisting of one (1) member. The sole member of the Hospital shall be Greenwich Health Care Services, Inc. The sole member shall not be entitled to vote for directors or on amendments to or the repeal of the Hospital's bylaws or this Certificate of Incorporation or, subject to the rights, powers and privileges conferred by the bylaws upon the sole member, on any other matter. The sole member shall have only those rights, powers and privileges required by law to be accorded to members of a nonstock, nonprofit corporation and those rights, powers and privileges conferred hereby or by the bylaws upon the sole member.

5. The street address of the Hospital's initial registered office is c/o The Greenwich Hospital Association, 5 Perryridge Road, Greenwich, Connecticut 06830 and the name of its initial registered agent at that office is Andrew E. Schultz, Esq.

6. Subject to the rights, powers and privileges conferred by the bylaws upon the sole member, the management of the activities, properties and affairs of the Hospital shall be vested in the Board of Trustees. The Board of Trustees shall consist of elected Trustees plus *ex officio* Trustees (which *ex officio* Trusteesmay be persons occupying

certain positions within or without the Hospital), with the Trustees to be selected as provided in the bylaws. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Hospital's Board of Trustees as a Trustee Emeritus.

The Board of Trustees shall be self-perpetuating as contemplated in Sections 33-1055 and 33-1083(c) of the Act as in effect and interpreted as of the date hereof and shall be elected as set forth in the bylaws. As may be further provided in the bylaws, the elected Trustees shall have staggered terms such that the terms of office of approximately one-third of all elected Trustees shall expire at each annual meeting.

7. No part of the funds raised by the Hospital or any net earnings, gains, or assets of the Hospital shall inure to the benefit of or be distributable to the Hospital's Trustees, officers or other private persons or entities, except that the Hospital shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof.

8. No substantial part of the activities of the Hospital shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Hospital shall not directly or indirectly participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

9. Notwithstanding any other provision of this Certificate of Incorporation to the contrary, including Section 10, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2) or 2522(a)(2) of the Code.

10. In the event of the liquidation or dissolution of the Hospital, whether voluntary or involuntary, no Trustee, private individual or corporation shall be entitled to any distribution or division of the Hospital's remaining assets or proceeds, except as provided by law. Upon the winding up and dissolution of the Hospital, after paying or adequately providing for the debts and obligations of the Hospital, the remaining assets shall be distributed to one or more non-profit funds, foundations or corporations which is or are organized and operated exclusively for charitable, scientific and/or educational purposes having similar aims and objects as the Hospital located within the State of Connecticut and which has or have established its or their tax-exempt status under Section 501(c)(3) of the Code, or shall be distributed to the Federal Government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Superior Court of the State of Connecticut for the judicial district in which the principal office of the Hospital is then located, exclusively for such purposes or

to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

11. Notwithstanding any other provision of this Certificate of Incorporation to the contrary, the Trustees and officers of the Hospital who are not compensated on either a salary or pro rated equivalent basis for services in such capacities shall be immune from civil liability for any act or omission resulting in damage or injury to the full extent provided under Section 52-557m of the Connecticut General Statutes, including any amendments to or substitutions for such Section 52-557m which may be made from time to time.

12. The Hospital shall indemnify any person, or the legal representatives thereof, made a party to any proceeding by reason of the fact that such person is or was a Trustee, officer, employee or agent of the Hospital to the full extent required or permitted by Sections 33-1116 to 33-1124 of the Act, including any amendments to or substitutions for such Sections 33-1116 to 33-1124 of the Act which may be made from time to time. The Hospital shall indemnify any person, or the legal representative thereof, made a party to any proceeding by reason of the fact that such person is or was serving at the request of the Hospital as a Trustee, officer, partner, trustee, employee or agent of another enterprise, against all judgments, fines, penalties, amounts paid in settlement, and reasonable expenses actually incurred by such person in connection with such proceeding to the same extent as if such person had been made a party to such proceeding by reason of the fact that such person is or was a Trustee, officer, employee or agent of the Hospital. The right to indemnification conferred in this Section shall include the right to be paid or reimbursed by the Hospital the reasonable expenses incurred in defending any such proceeding in advance of final disposition of the proceeding to the full extent required or permitted by Section 33-1119 of the Act, including any amendments to or substitutions for such Section 33-1119 of the Act which may be made from time to time, if (i) such Trustee, officer, employee or agent furnishes the Hospital a written affirmation of his good faith belief that he has met the standard of conduct described in Section 33-1117 of the Act, (ii) such Trustee, officer, employee or agent furnishes the Hospital a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct, and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under Sections 33-1116 to 33-1124 of the Act, including any amendments to or substitutions for such Sections 33-1116 to 33-1124 of the Act which may be made from time to time. Notwithstanding any other provision hereof, the intent of this Certificate of Incorporation is to provide, and it shall be interpreted as providing, the fullest possible indemnification of, and advance of expenses to, Trustees, officers, employees or agents of the Hospital permitted by law, as the relevant law may change or be amended from time to time; provided, however, that such indemnity will not constitute a violation of any provision of Section 33-281b of the Connecticut General Statutes, if applicable.

13. A Trustee shall have no personal liability to the Hospital or its members for monetary damages for breach of duty as a Trustee if such breach did not (a) involve a knowing and culpable violation of law by the Trustee, (b) enable the Trustee or an associate as defined in Section 33-840, to receive an improper personal economic gain, (c) show a lack of good faith and a conscious disregard for the duty of the Trustee to the Hospital under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (d) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the Hospital. No amendment or repeal of this Paragraph 13 or the adoption of any provision inconsistent herewith shall eliminate or reduce the effect of this Paragraph 13 in respect of any matter occurring or any cause of action, suit or claim accruing or arising, prior to such amendment, repeal or adoption of a provision inconsistent with this Paragraph 13.

March 27, 2012
Amended and Restated

By-laws of Greenwich Hospital

Article 1.

PURPOSES

The purposes of Greenwich Hospital, a Connecticut corporation (the "Hospital"), shall be to maintain and operate a hospital and related facilities that will be the focus of medical care in the Town of Greenwich and its defined service area; to serve as a leader, working cooperatively with other resources, in education in the areas of health, wellness and disease prevention; and to carry on such other activities related to the care of the sick or injured or related to meeting the health needs of, and promoting health education and health care activities in, its service area which in the opinion of the Board of Trustees may be justified or desirable, all as more fully set forth in the Certificate of Incorporation of the Hospital.

Patients shall have the privilege of receiving religious instruction and consolation from clergymen of their choice.

Article 2.

MEMBERS

2.1 **Sole Member**. The Hospital shall have but one member, Greenwich Health Care Services, Inc. ("GHCSI"). The sole member shall not be entitled to vote for Trustees or on amendments to or the repeal of these Bylaws or the Hospital's Certificate of Incorporation or, subject to the rights, powers and privileges conferred hereby upon the sole member, on any other matter. The sole member shall have only those rights, powers and privileges required by law to be accorded to members of a nonstock, nonprofit corporation and those rights, powers and privileges conferred hereby or by the Certificate of Incorporation upon the members.

2.2 **Rights, Powers and Privileges of Yale New Haven Health Services Corporation.** Yale New Haven Health Services Corporation ("YNHHS"), the sole member of GHCSI (the Hospital's sole member), shall have, in addition to the rights, powers and privileges conferred elsewhere herein, the following rights, powers and privileges:

(a) to designate one representative of YNHHS (who shall be the same representative designated by YNHHS to serve on the GHCSI Board of Directors) to serve as a Trustee of the Hospital at the pleasure of YNHHS, and the Hospital's Board of Trustees shall promptly elect and remove such designee as from time to time instructed by YNHHS, which designee shall be a voting member of the Executive/Compensation or any similar committee of the Hospital;

(b) to approve the nominees to the Board of Trustees of the Hospital in accordance with the provisions of Section 3.3 of these Bylaws and Section 4.2 of that certain System Affiliation Agreement dated July 24, 1997 (the "Affiliation Agreement") among YNHHS, GHCSI and the Hospital;

(c) to direct the Board of Trustees of the Hospital to remove any Trustee in accordance with the provisions of Section 3.5 of these Bylaws and Section 4.3 of the Affiliation Agreement;

(d) to approve the Hospital's annual operating and capital budgets and strategic plans; and

(e) to consent to (i) the sale of all or substantially all of the Hospital's assets, (ii) any merger or consolidation involving the Hospital, (iii) any contract to manage or administer the Hospital or any substantial part of the business of the Hospital, (iv) any liquidation or dissolution of the Hospital or filing for bankruptcy or similar protection, or (v) any change in the name of the Hospital.

2.3 **Action by GHCSI or YNHHS**. Any action by GHCSI as the Hospital's sole member may be accomplished by a written direction from the Chairman of the Board of Directors of GHCSI to the Hospital, which action shall be as valid as though it had been authorized at a meeting of members designated as such. Any action by YNHHS may be accomplished by a written direction from the Chief Executive Officer of YNHHS to the Hospital.

Article 3

BOARD OF TRUSTEES

3.1 **General**. The management of the activities, properties and affairs of the Hospital shall be vested in the Board of Trustees. The powers of the Board of Trustees shall include without limitation the power generally to adopt such measures as they may deem that the purposes of the Hospital may require.

3.2 **Qualification; Expectations**. In selecting candidates for Trustees, consideration should be given to each candidate's willingness to accept responsibility for governance of the Hospital, his areas of interest and expertise and his experience in organizational or community activities, his attendance record at Board and Board Committee meetings, and such other qualifications as the Nominating/Governance

Committee and the Board may deem appropriate. Except for the President of the Auxiliary and the Trustees Emeritus, no person may be a Trustee of the Hospital unless such person also serves as a Director of GHCSI.

Contemporaneous with the adoption of these Amended and Restated Bylaws and at each Annual Meeting thereafter, the Board shall adopt a resolution setting forth the minimum expectations of Trustees. All Trustees shall strive to fulfill such expectations.

3.3 **Number, Term and Election.** The Board of Trustees shall consist of that number of elected Trustees which shall be not less than fifteen Trustees and not more than thirty three Trustees (one of whom shall be the Trustee designated by YNHHS pursuant to Section 2(a) herein), plus *ex officio* Trustees. The number of elected Trustees shall be that number most recently prescribed by action of the Board of Trustees; provided that no decrease in the number of Trustees shall have the effect of shortening the term of any incumbent Trustee.

YNHHS shall have the right to approve all nominees to the Board of Trustees of the Hospital in accordance with the provisions of Section 4.2 of the Affiliation Agreement. In the event YNHHS fails to approve any such nominee within thirty days of receipt in writing of such proposed nomination, the provisions of Section 4.2 of the Affiliation Agreement shall be followed.

At each regular annual meeting of the Board of Trustees, Trustees shall be elected by the Board of Trustees (subject to the rights of YNHHS to designate a Trustee set forth in Section 2(a) herein) to succeed the Trustees whose terms are then expiring and to serve for terms of three years, and until such Trustees' successors shall have been duly elected and qualified, or until their earlier death, resignation or removal. A vacancy on the Board of Trustees for any reason may be filled by the Board of Trustees, or, if the Trustees remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all of the remaining Trustees in office (subject to the rights of YNHHS to designate a Trustee set forth in Section 2(a) herein). Trustees elected to fill vacancies shall hold office until the next meeting at which Trustees are elected and until their respective successors shall have been duly elected and qualified.

In addition to the persons elected as Trustees, the President of the Hospital, the Chief of the Medical Staff of the Hospital, the Assistant Chief of the Medical Staff of the Hospital, the Chair of the Credentials Committee of the Hospital's Medical Staff, the Chair of the Medical Executive Committee of the Hospital's Medical Staff, and the President of the Auxiliary shall be *ex officio* members of the Board of the Hospital; provided that none of the foregoing persons other than the President shall be an *ex officio* member of the Board if such person is an employee of the Hospital or of GHCSI or of YNHHS. *Ex officio* members of the Board of Trustees shall be counted in determining a quorum of the Board and shall have full voting power. In addition, the immediate-past Chief of the Medical Staff of the Hospital shall be an *ex officio* invitee to Board meetings,

but shall not be counted in determining a quorum of the Board and shall not have voting power. In the event the Chief of Staff, Assistant Chief of Staff, Chair of the Credentials Committee or Chair of the Medical Executive Committee is precluded from *ex officio* service on the Board due to the existence of a conflict of interest as per the Hospital's Conflict of Interest Policy, the Secretary of the Medical Staff of the Hospital shall be appointed *ex officio* in the place of the conflicted Medical Staff representative; and if a second Medical Staff representative is likewise precluded from Board service due to such a conflict of interest, then the Treasurer of the Medical Staff of the Hospital shall be appointed *ex officio* in the place of the second conflicted Medical Staff representative; provided that at such time as the primary *ex officio* Medical Staff representative(s) identified above regain eligibility to serve on the Board (e.g., due to the removal or resolution of the identified conflict, or the election or appointment of a non-conflicted individual to the *ex officio* Medical Staff position at issue), the Secretary and/or Treasurer of the Medical Staff of the Hospital, as applicable, shall cease to serve on the Board.

After serving two consecutive three-year terms, an elected Trustee may not thereafter be eligible for reelection for a period of one year; provided that the foregoing limitation shall not apply to (i) the Trustee designated by YNHHS pursuant to Section 2(a) herein; (ii) an elected Trustee if at the time of the annual meeting of the Board such elected Trustee is (a) a candidate designated by the Chairman for election or reelection as an officer of the Hospital, or (b) a candidate for appointment or reappointment as a chairman of a Board committee; or (iii) a Trustee whom the Board has determined is eligible for re-election for an additional three-year term due to his/her unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after completion of two or more consecutive three-year terms.

3.4 **Trustees Emeritus**. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election as a Trustee Emeritus by the Hospital's Board of Trustees at its annual meeting or at any regular or special meeting of the Board as deemed appropriate by the Board of Trustees. A Trustee Emeritus shall have the privilege of attending all meetings of the Board and shall have the privilege of the floor but shall have no vote at meetings of the Board of Trustees and shall not be counted in determining a quorum thereof.

3.5 **Resignation of Trustees; Removal of Trustees**. The written resignation of a Trustee shall be effective immediately upon receipt of notice of resignation by the Hospital.

The Board of Trustees may remove one or more Trustees with or without cause; provided that the Board of Trustees may remove the Trustee designated by YNHHS pursuant to Section 2(a) only with the prior consent of YNHHS. YNHHS shall have the right to direct the Board of Trustees of the Corporation to remove any Trustee in accordance with the provisions of Section 4.3 of the Affiliation Agreement. In the event

YNHHS directs the Board of Trustees to remove a Trustee, the provisions of Section 4.3 of the Affiliation Agreement shall be followed.

3.6 **Meetings.** The annual meeting of the Board of Trustees of the Hospital, which shall also constitute a regular meeting of the Board, shall be held on the third Wednesday in October in each year at 5:00 p.m. in the Noble Auditorium at the Hospital or at such other time and place as the Board of Trustees may determine. At such annual meeting the Board of Trustees shall elect Trustees of the Hospital to succeed the Trustees of the class whose terms have just expired, shall elect Trustees Emeritus, if any, and shall elect the officers of the Hospital for the following year; the Chairman of the Hospital shall nominate for appointment, and the Board of Trustees shall appoint, the members of all Board committees and the chairmen thereof for the following year; and the Board shall transact such other business as the Board of Trustees deems wise.

Other regular meetings of the Board of Trustees shall be held at 5:00 p.m. in the Hyde-Brownell Room at the Hospital, or at such other place as the Board of Trustees may determine, on such dates as the Board of Trustees shall determine.

A special meeting of the Board of Trustees may be called at any time by the Chairman or by five elected Trustees upon notice, and such notice shall specify the purpose of such meeting.

Whenever practicable, committee recommendations for Board action and any other pertinent materials for Board of Trustees meetings shall be distributed to Trustees in advance of such meetings.

3.7 **Notice of Meetings.** The Secretary shall give or cause to be given at least five days notice of the time and place of any meeting of the Board of Trustees, and in the case of special meetings, notice of the business to be conducted thereat. The notice of the annual meeting of the Board of Trustees shall attach the report of the Nominating/Governance Committee as provided in Section 6.8 of these By-laws. Notice of any meeting given via posting on an electronic portal shall be accompanied by an email communication sent to each Trustee indicating that new information has been posted to the portal.

3.8 **Quorum and Voting.** A majority of the aggregate of (i) the prescribed number of elected Trustees, plus (ii) the number of *ex officio* Trustees, shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. Except as otherwise provided by law or these By-laws, the vote of a majority of the Trustees present at any meeting at which a quorum is present shall be conclusive.

3.9 **Action without a Meeting.** If all of the elected Trustees with voting power and all of the *ex officio* Trustees with voting power, or all of the voting members of a committee of the Board of Trustees, as the case may be, severally or collectively consent unanimously in writing to any action taken or to be taken by the Hospital or by such

committee, respectively, the action shall be as valid as though it had been authorized at a meeting of the Board of Trustees or the committee, as the case may be, and such unanimous written consent or consents shall be filed in the minute book of the Hospital. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Hospital from an email address provided by the Trustee to the Hospital or a communication from the Trustee to the Hospital via an electronic portal hosted by the Hospital and accessed by the Trustee using a password generated by the Trustee.

3.10 **Participation by Conference Telephone.** A Trustee or a member of a committee of the Board of Trustees may participate in a meeting of the Board, or of such committee, as the case may be, by means of a conference telephone or similar communications equipment enabling all individuals participating in the meeting to hear one another, and such participation in a meeting shall constitute presence in person at such meeting. Notwithstanding the foregoing, Trustees are expected to participate in Board and committee meetings in person whenever practicable, with participation via conference telephone or similar means on an occasional basis only.

Article 4

OFFICERS OF THE HOSPITAL

4.1 **General.** The officers of the Hospital shall consist of those Trustees specified in Section 4.2 and other officers as provided in Section 4.3.

4.2 **Trustee Officers; Election and Term.** The Chairman, one or two Vice Chairmen, the Secretary and the Treasurer shall be elected from persons who are, at the time of their respective elections to office, elected Trustees. The President shall be appointed by the president and chief executive officer of YNHHS (the "YNHHS CEO") in consultation with and with the consent of the Board of Trustees in accordance with Section 8.1.2 of the Affiliation Agreement. The President need not be, at the time of his appointment to office, an elected Trustee. The President shall be *ex officio* a Trustee, shall be counted in determining a quorum of the Board and shall have full voting power. Each such officer shall be qualified, in the judgment of the Board of Trustees, by education and experience to properly carry out the responsibilities of his office.

Each of the Chairman, one or two Vice Chairmen, the Secretary and the Treasurer shall be elected at the annual meeting of the Board of Trustees of the Hospital, and shall hold office until the next annual meeting of the Board and until his successor shall have been elected or until his earlier death, resignation or removal.

A vacancy in any office under this Section 4.2 (other than President) because of death, resignation or removal shall be filled by the Board of Trustees for the unexpired term of such office. A vacancy in the office of President because of death, resignation or removal shall be filled by the YNHHS CEO in consultation with and with

the consent of the Board of Trustees in accordance with Section 8.1.2 of the Affiliation Agreement.

4.3 **Other Officers.** The Board of Trustees shall create, from time to time, such administrative offices as may be recommended by the President and deemed necessary by the Board of Trustees, and persons appointed to such offices need not be members of the Board of Trustees.

All administrative, non-Trustee, officers shall be appointed by the President. Appointments of all non-Trustee Vice Presidents shall be approved by the Board of Trustees. Each administrative officer appointed under this Section 4.3 shall hold office until his death, resignation or removal.

4.4 **Resignation and Removal.** An officer of the Hospital may resign at any time. Any Trustee officer (other than the President) and any Vice President may be removed with or without cause by the Board of Trustees. The YNHHS CEO shall have the right, if the YNHHS CEO deems it appropriate, to remove the President, provided the YNHHS CEO shall consult with the Chairman of the Board prior to taking any such action. Any non-Trustee officer other than a Vice President may be removed with or without cause by the President.

Article 5

DUTIES OF OFFICERS

5.1 **Chairman of the Board.** The Chairman of the Board shall preside at the annual meeting of the members, at all meetings of the Board of Trustees and of the Executive/Compensation and Joint Conference Committees.

The Chairman shall, except as otherwise provided in these By-laws, nominate for appointment by the Board the members of all committees and the chairmen thereof. The Chairman shall be *ex officio* a member and chairman of the Executive/Compensation Committee and of the Joint Conference Committee, shall be counted in determining a quorum of such committees and shall have full voting power thereon, and shall perform such other duties as are usual to this office.

5.2 **Vice Chairmen.** If there be two Vice Chairmen elected, the Chairman shall designate one as the Senior Vice Chairman. In the absence of the Chairman or the inability of the Chairman to act, the Vice Chairman or the Senior Vice Chairman, as the case may be, shall perform the duties and exercise the powers of the Chairman. The Vice Chairman, or the two Vice Chairmen if two are elected, shall be *ex officio* members of the Executive/Compensation Committee (and shall be counted in determining a quorum of such committee and shall have full voting power). Each Vice Chairman shall perform such duties as the Board of Trustees or the Chairman may from time to time prescribe.

5.3 **President.** The President shall be the Hospital's chief executive officer. The President shall have the authority and responsibility necessary to operate the Hospital in all its activities and departments, subject only to such policies as may be adopted and such orders as may be issued by the Board of Trustees or by any of its committees to which the Board of Trustees has delegated power for such action. The President shall act as the duly authorized representative of the Hospital in all matters in which the Board of Trustees has not formally designated some other person to act.

The President will be employed by YNHHS. The President shall report to the YNHHS CEO, to the Chairman of the Board between Board of Trustees meetings and to the Board of Trustees and its Executive/Compensation Committee at each meeting. The YNHHS CEO shall periodically evaluate the President and, in connection therewith, shall determine the terms and conditions of the President's employment and compensation, provided the YNHHS CEO shall consult with the Chairman of the Board.

The President shall sign, with the Secretary or any other properly authorized officer when appropriate, any contract or other instrument that the Board of Trustees has authority to execute, except in cases where execution shall have been expressly delegated by the Board of Trustees, these By-laws or statute to some other officer or agent of the Hospital.

The President shall be *ex officio* a member of the Board of Trustees and all standing and special committees of the Board of Trustees (and shall be counted in determining a quorum of the Board and such committees and shall have full voting power), unless otherwise provided in these By-laws or by the Board of Trustees.

5.4 **Secretary.** The Secretary shall be responsible for overseeing the maintenance of the corporate files and records of the Hospital except the financial records; causing all notices of meetings of the Board of Trustees to be sent, and records of such meetings to be made and kept; attesting to the seal of the Hospital when necessary; and performing such other duties as may be prescribed by the Board of Trustees or the Chairman.

5.5 **Treasurer.** The Treasurer shall be *ex officio* a member of the Executive/Compensation Committee and, subject to the requirements of Section 6.4 of these By-laws, shall be a member of the Finance and Audit Committee. Subject to such general policies as shall be adopted by the Board of Trustees and the Finance and Audit Committee, the Treasurer shall be responsible for overseeing the maintenance of the books of account of the Hospital, and the investment of securities owned by the Hospital. In this connection, he may register such securities in the name of a custodian or its nominee.

5.6 **Vice Presidents.** All Vice Presidents of the Hospital shall have such duties as shall be delegated to them by the President and shall report as directed by the President.

Article 6

COMMITTEES

6.1 **General.** The Chairman shall nominate for appointment, and the Board of Trustees shall appoint, subject to the requirements set forth in these By-laws, the members of all committees of the Board of Trustees (except for those Trustees who under these By-laws are members *ex officio*) and the chairmen thereof, unless otherwise provided in these By-laws. In selecting nominees for committees, consideration should be given to each nominee's attendance record at Board and Board committee meetings. In selecting committee chairmen, the Board of Trustees shall make its selection from among the members of each committee who are Trustees (and may not select as committee chairman a committee member who is not a Trustee), and the Board shall not select any individual who has a material business relationship (including but not limited to an employment relationship) with the Hospital or any of its affiliates. *Ex officio* members of each committee are in addition to the number of Trustees specified in this Article 6 for each committee, and the number of Trustees so specified shall be elected Trustees.

The Chairman shall make such nominations, and the Board shall make such appointments, at the annual meeting of the Board, except for nominations and appointments made to fill vacancies arising from time to time. At the first committee meeting following the annual meeting of the Board, each committee shall appoint from among its members a vice chairman. The Board may appoint to committees except the Executive/Compensation Committee and the Nominating/Governance Committee individuals who are not Trustees, and each such person so appointed shall have a vote and be included for the purpose of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the full Board, any such action must be approved by a majority of the committee members who are Trustees.

Each committee shall have a charter reflecting the primary responsibilities of the committee and shall periodically review such charter and revise it as necessary. The full Board shall approve each committee charter and any amendments thereto. Each committee shall determine its own rules of procedure, the time and place of its meetings, and the notice to be given thereof. A report of the proceedings of a meeting of a committee shall be submitted to the next meeting of the Board. Unless otherwise specified in these By-laws, a majority of the members of a committee shall constitute a quorum. If a quorum is present when a vote is taken, the affirmative vote of a majority of those members present shall be the act of such committee, unless the affirmative vote of a greater number is required by these By-laws or by law.

Standing committees shall be those named in subsequent sections of this Article 6. A special or *ad hoc* committee may be created by the Board of Trustees, with such powers and authority as the Board may approve, if in the opinion of the Chairman the best interests of the Hospital warrant the creation of such a special or *ad hoc* committee.

6.2 **Term.** Each member of a committee shall be appointed for one year and shall continue in office until the next annual meeting of the Board and until his successor is appointed, unless the committee of which he is a member shall be sooner terminated by the Board of Trustees or until his earlier death, resignation or removal.

6.3 **Executive/Compensation Committee.** The Executive/Compensation Committee of the Board of Trustees of the Hospital shall consist of the following members, all *ex officio* with vote and counted for a quorum: the Chairman of the Board, who shall act as chairman of the Committee, the Vice Chairman or the two Vice Chairmen if two are elected, the President, the Treasurer, the Chief of the Medical Staff of the Hospital, all chairmen of committees of the Board of Trustees, and the Trustee designated by YNHHS pursuant to Section 2(a) herein (provided that none of the foregoing persons, other than the President and the YNHHS designee, shall be a member of the Executive/Compensation Committee if he is an employee of the Hospital, GHCSI or YNHHS).

The Executive/Compensation Committee shall possess and exercise all the powers of the Board of Trustees during the intervals between Board meetings. All actions by the Executive/Compensation Committee shall be reported to the Board of Trustees at its meeting next succeeding such action, and shall be subject to revision by the Board; provided that no rights of third parties shall be affected by any such revision.

In addition, the Executive/Compensation Committee shall set compensation for the Hospital's executives employed by the Hospital who are in a position to exercise substantial influence over the affairs of the Hospital as determined by the Committee. The Committee shall obtain and rely upon appropriate comparability data in making its compensation decisions, and shall ensure that such compensation decisions are in compliance with the laws relating to organizations described in Section 501(c)(3) of the Internal Revenue Code. On an annual basis the Committee shall receive a report from the YNHHS Executive Compensation Committee regarding the compensation of Hospital executives employed by YNHHS who are in a position to exercise substantial influence over the affairs of the Hospital, and in connection therewith YNHHS will present the Committee with the comparability data obtained and relied upon by YNHHS in making its compensation decisions, and the Committee shall provide such input as requested by YNHHS regarding the compensation of the Hospital's President and Chief Executive Officer.

6.4 **Finance and Audit Committee.** The Finance and Audit Committee shall include at least three Trustees and shall also include *ex officio* the President, who shall not be counted for a quorum nor have a vote, and the Treasurer, who shall be counted for a quorum and have a vote. The Board may also appoint to the committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum. A majority of the members of the Finance and Audit Committee shall be Trustees, and no member of the Finance and Audit Committee (other than non-voting *ex officio* members) shall have any material business relationship (including but not

limited to an employment relationship) with the Hospital or any of its affiliates. At least one member of the Finance and Audit Committee shall have financial expertise, as determined by the Board of Directors. *Ex officio* members of the Finance and Audit Committee who have a material business relationship (including but not limited to an employment relationship) with the Hospital or any of its affiliates shall not be counted in determining a quorum and shall not have a vote.

This Committee shall be responsible for working closely with the other Board Committees in the performance of its duties and in developing and presenting the annual capital and operating budgets of the Hospital to the Board of Trustees for approval, monitoring the Hospital's adherence to budget goals, and overseeing the fund-raising activities of GHCSI and the Hospital. This Committee shall also be responsible for causing the books of account of the Hospital's operations and the consolidated books of account of the operations of the Hospital and its subsidiaries to be audited by independent auditors at least annually, and reporting to the Board of Trustees on these annual outside audits. This Committee shall recommend to the Board of Trustees retention of independent auditors. This Committee shall also check periodically on the adequacy of the Hospital's internal audit procedures. When requested by the Board, this Committee shall also be responsible for reviewing and providing comment regarding the strategic plan and business plan for the Hospital and its subsidiaries including review and comment as to (i) the addition of new services to those offered by GHCSI, the Hospital or any other subsidiary of the Hospital; (ii) the deletion or expansion of existing services offered by GHCSI, the Hospital or any other subsidiary of the Hospital; and (iii) on any matter relating to future operations of the Hospital.

6.5 **Investment Oversight Committee.** The Investment Oversight Committee shall include at least three Trustees, and shall also include *ex officio* the President, who shall not be counted for a quorum nor have a vote, and the Treasurer, who shall be counted for a quorum and have a vote. The Board may also appoint to the Committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum.

The members of the Investment Oversight Committee shall also serve as Trustees of The Greenwich Hospital Endowment Fund, Inc.

This Committee shall be responsible for overseeing the investment of the Corporation's and the Hospital's financial assets and, to the extent delegated by the Board of Directors of the Greenwich Hospital Endowment Fund, Inc. and/or by the Boards of Directors or Trustees of any other affiliate of the Corporation, and accepted by the Corporation, the financial assets of such affiliate.

6.6 **Nominating/Governance Committee.** The Nominating/Governance Committee shall consist of at least three Trustees, and shall also include *ex officio* with vote and counted for a quorum the Chairman of the Board, the Vice Chairman (or Vice Chairmen if there be two) of the Board, the President, and the Trustee designated by YNHHS.

The Nominating/Governance Committee shall solicit recommendations for candidates well qualified to serve as Trustees of the Hospital. At the regular meeting of the Board of Trustees immediately preceding the annual meeting of the Board of Trustees, the Nominating/Governance Committee shall submit to the Board its proposed report recommending that (i) at the annual meeting of the Board of Trustees of the Hospital, they elect as Trustees the persons designated in the report (which persons shall have been nominated in compliance with Section 2.2), (ii) at the annual meeting of the Board of Trustees, the Board elect as officers (other than as President) those elected Trustees designated in the report and that the Chairman nominate, and (iii) at the annual meeting of the Board of Trustees, the Board appoint to the Executive/Compensation Committee those elected Trustees designated in the report. Such report as approved by the Board of Trustees or as amended by the Board at such meeting shall be attached to the notices of annual meetings of the Board of Trustees of the Hospital. The recommendations of the Nominating/Governance Committee made in such report shall be presented by the Secretary at such annual meeting.

The Nominating/Governance Committee may convene at any time to consider candidates to fill vacancies on the Board of Trustees. The Nominating/Governance Committee may recommend that the Board elect any such candidate at any regular or special meeting of the Board (which persons shall be nominated in compliance with Section 3.3).

The Nominating/Governance Committee shall also be responsible for overseeing the performance of and setting direction for the Board, as set forth in more detail in the Committee's charter.

6.7 **Quality/Safety Committee.** The Quality/Safety Committee shall consist of at least four Trustees, two members of the Medical Staff selected by the Chief of Staff in consultation with the President, and the following *ex officio* members with vote and counted for a quorum: the Chief of the Medical Staff, the Assistant Chief of the Medical Staff, the chairmen of the Medical Staff's Medical Executive Committee and Credentials Committee, and the Vice President of Medical Services of the Hospital. In addition, the Board may appoint to the committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum.

The Committee shall assure the development of a comprehensive Quality Assessment and Performance Improvement Plan that outlines the relationship of the Committee and its activities to the Board of Trustees, Hospital Administration and the

Medical staff, and review the effectiveness of the Quality Assessment and Performance Improvement Plan annually.

The Quality/Safety Committee has the responsibility to oversee and ensure the quality of clinical care and safety throughout the Hospital and at Hospital off-campus locations, as set forth in more detail in the Committee's charter.

The Quality/Safety Committee, acting on behalf of the full Board, shall review and take action on applications for Medical Staff appointment, reappointment, and clinical privileges, subject to ratification by the Board of Trustees and any applicable limitations contained in the Medical Staff Bylaws or Rules and Regulations of the Medical Staff.

The Quality/Safety Committee shall report at least quarterly to the Board of Trustees both on the findings and status of performance improvement activities, and Greenwich Hospital's compliance with federal, state and The Joint Commission requirements and standards.

6.8 Strategic Planning Committee. The Strategic Planning Committee shall consist of at least three Trustees and at least two members of the Medical Staff selected by the Chief of Staff in consultation with the President The Hospital's Vice President of Medical Services shall serve as an *ex officio* member of this Committee with a vote and counted for a quorum. The Board may also appoint to the committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum.

The Strategic Planning Committee, working closely with the Finance and Audit Committee, shall be responsible for preparing and submitting to the Board of Trustees for approval a strategic plan for the Hospital and its affiliates, and for updating and resubmitting such plan at least once each year. In this connection, the Committee shall consider and make recommendations to the Board of Trustees regarding: (i) the addition of new services to those offered by the Hospital and its affiliates; (ii) the deletion or expansion of existing services offered by the Hospital and its affiliates; and (iii) any matter relating to future operations and direction of the Hospital and its affiliates.

In addition, the Strategic Planning Committee shall be responsible for the assessment of community need and management of Board education, as set forth in more detail in the Committee's charter.

6.9 Joint Conference Committee. The Joint Conference Committee shall consist of the Chairman of the Board, who shall act as chairman of the Committee, two additional Trustees, and one member of the Medical Staff selected by the Chief of Staff in consultation with the President. The Chief of the Medical Staff, the Assistant Chief of the Medical Staff, and the President of the Hospital shall be *ex officio* members of

the Committee with vote and counted for a quorum. In addition, the Board may appoint to the Committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum.

The Committee shall be convened at the request of the chairman to facilitate resolution of conflicts among the Medical Staff, the Board and the Hospital Administration, or such other matters deemed important by the chairman. In resolving conflicts, the Committee shall follow a conflict management process and philosophy consistent with applicable Joint Commission Standards.

6.10 Development Committee. The Development Committee shall consist of at least three Trustees. The Hospital's President and Director of Development shall serve as *ex officio* members of this Committee with vote and counted for a quorum. In addition, the Board may appoint to the Committee one or more individuals who is not a Trustee and who shall have the right to vote and shall be counted in determining a quorum.

The Development Committee will be broadly responsible for planning for the procurement of endowment and operational funds as appropriate and necessary to advance the Hospital's charitable mission. The Committee shall coordinate its efforts with the activities of the Greenwich Hospital Foundation.

The Committee shall be responsible for preparing and submitting to the Board of Trustees for approval annual and long-range development plans for the Hospital, including proposals for campaigns or drives to raise large amounts of money for both general and mission-related purposes.

Article 7

MEDICAL STAFF

7.1 **Medical Staff Membership and Clinical Privileges.** As provided in these Bylaws and in the Bylaws, Rules and Regulations of the Medical Staff, the Board of Trustees or a committee thereof shall appoint and reappoint practitioners to the Medical Staff, and shall grant, continue, modify or terminate clinical privileges after receiving the recommendations of the Medical Staff's Medical Executive Committee with respect thereto. Each person appointed to the Medical Staff and granted clinical privileges shall be appointed for a maximum term of two (2) years following action by the Board of Trustees or Board committee, as applicable.

All persons employed by the Hospital, either full-time or part-time, whose duties are medico-administrative in nature and include clinical responsibilities or functions with members of the Medical Staff involving their professional capability as physicians must themselves be members of the Medical Staff.

7.2 **By-laws and Rules and Regulations of the Medical Staff.** The Medical Staff shall have the power to adopt and amend, subject to the approval of the Board of Trustees, its own By-laws. The Medical Executive Committee of the Hospital's Medical Staff shall have the power to adopt and amend, subject to approval of the Board of Trustees, Rules and Regulations for the practice of medicine in the Hospital. When approved by the Board of Trustees, all professional activities of all members of the Medical Staff within the Hospital shall be governed thereby.

Such By-laws shall include provisions for surveillance of the quality of medical care and for regular reports thereof to the Board of Trustees; the categories of the Medical Staff; procedures for actions involving clinical competence and behavior and for summary suspension of clinical privileges; hearings and appeals from recommendations of the Executive Committee of the Medical Staff and of the Credentials Committee which might adversely affect the appointment of an applicant or the clinical privileges of a member of the Medical Staff. In the event of a conflict between provisions of (i) the Medical Staff's By-laws and Rules and Regulations for the practice of medicine in the Hospital and (ii) the By-laws of the Hospital's sole member, GHCSI, or of these Hospital By-laws, then the provisions of GHCSI's By-laws or of these By-laws, as the case may be, shall be controlling. The Medical Staff Bylaws may not be unilaterally amended by either the Hospital or the Medical Staff.

Article 8

AUXILIARY

The Auxiliary of Greenwich Hospital (hereinafter called the Auxiliary) is an unincorporated association that forms an integral part of the Hospital, provides volunteer support services for the benefit of the Hospital and its patients and promotes the health and welfare of the community. The services of the Auxiliary shall be consistent with such policies as may be fixed from time to time by the Board of Trustees.

The Auxiliary shall adopt By-laws for the conduct of its activities. Such By-laws and all amendments thereto shall be effective upon approval thereof by the Board.

The president of the Auxiliary shall be an *ex officio* member of the Board of Trustees, with vote and counted for a quorum.

Article 9

GENERAL

9.1 **Fiscal Year.** The fiscal year of the Hospital shall begin on October 1 of each year and terminate on September 30 of the following year.

9.2 **Seal.** The seal of the Hospital shall read "Greenwich Hospital, Incorporated 1903."

9.3 **Books and Records.** The books, papers and records of the Hospital, including case records, shall be the exclusive property of the Hospital, shall be treated as confidential and shall be under the control of the Board, to the extent permitted by law.

9.4 **Waivers of Notice.** Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the certificate of incorporation or By-laws of the Hospital, or of a resolution of the members or the Trustees, a written waiver of notice signed by the person or person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary shall cause any such waiver to be filed with or entered upon the records of the Hospital or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at a meeting without protesting, prior to or at the commencement of the meeting, the lack of proper notice shall be deemed to be a waiver by such person of notice of such meeting.

Article 10

BY-LAWS

10.1 **Amendment; Meeting and Notice.** These By-laws may be amended at any meeting of the Board of Trustees of the Hospital at which the proposed amendments are made available to the Board of Trustees. The proposal that the By-laws are to be amended shall be, and the proposed By-Law amendments may be (but are not required to be) sent out with the notice of the meeting which will act upon the proposed amendments. Notwithstanding anything to the contrary contained herein, these By-laws and the certificate of incorporation of the Hospital may not be amended or repealed without the written consent of YNHHS and GHCSI.

10.2 **Vote.** If the By-laws are to be amended at a meeting of the Board of Trustees, the vote of at least two-thirds of the Trustees present shall be required for adoption.

10.3 **Construction of By-laws.** The decision of the Board of Trustees shall be conclusive on all questions of construction of these By-laws.

Article 11

PEER REVIEW ACTIVITIES

The Board functions in some of its activities as a Medical Review Committee conducting peer review as defined in Chapter 368a of the Connecticut General

Statutes, as amended from time to time. When acting as a Medical Review Committee, the Board reviews staff and participates in the evaluation of the quality and efficiency of health care services ordered and performed, including but not limited to review of the credentials, qualifications and activities of medical staff members or applicants; evaluating and improving the quality of health care services rendered; analyzing clinical practices within the hospital; reviewing studies of utilization and medical audits; reviewing studies of morbidity and mortality; and reviewing analyses of sentinel events or potential claims. When the Board, or its officers, committees or subcommittees on its behalf, participate in these or similar studies, reviews, discussions and actions, the Board is a Medical Review Committee conducting peer review. Proceedings of such peer review activities conducted by the Board, including data and information gathering and analyses and reporting by authorized individuals for the primary purpose of these peer review activities, as well as minutes and other documents from meetings or portions of meetings addressing peer review, shall be kept strictly confidential.

SECRETARY OF THE STATE
30 TRINITY STREET
P.O. BOX 150470
HARTFORD, CT 06115-0470

JANUARY 11,2013

T. CRANE
SHIPMAN & GOODWIN
ONE CONSTITUTION PLAZA
HARTFORD, CT 06103-1919

RE: Acceptance of Business Filing

This letter is to confirm the acceptance of a filing for the following business:

LAWRENCE & MEMORIAL HOSPITAL, INC.

Work Order Number: 2013002167-001
Business Filing Number: 0004779070
Type of Request: CERTIFICATE OF AMENDMENT
File Date/Time: DEC 28 2012 01:00 PM
Effective Date/Time: DEC 28 2012 01:00 PM
Work Order Payment Received: 150.00
Payment Received: 20.00
Credit on Account: 602.39
Customer Id: 000000419
Business Id: 0197199

ATIYA LANZA
Commercial Recording Division
860-509-6003
WWW.CONCORD.SOTS.CT.GOV

FILING #0004779070 PG 01 OF 05 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00064
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CONNECTICUT SECRETARY OF THE STATE

SECRETARY OF THE STATE
MAILING ADDRESS: COMMERCIAL RECORDING DIVISION, CONN
DELIVERY ADDRESS: COMMERCIAL RECORDING DIVISION, CONNECTICUT SECRETARY OF THE STATE, 30 TRINITY STREET, HARTFORD, CT 06106
PHONE: 860-509-6003 WEBSITE: www.concord-sots.ct.gov

CERTIFICATE OF AMENDMENT
NONSTOCK CORPORATION

USE INK. COMPLETE ALL SECTIONS. PRINT OR TYPE. ATTACH 81/2 X 11 SHEETS IF NECESSARY.

FILING PARTY *(CONFIRMATION WILL BE SENT TO THIS ADDRESS)*:

NAME: Patricia B. Chouinard

ADDRESS: Shipman & Goodwin LLP
One Constitution Plaza

CITY: Hartford

STATE: CT ZIP: 06103-1919

FILING FEE: $20

MAKE CHECKS PAYABLE TO "SECRETARY OF THE STATE"

1. NAME OF CORPORATION:

LAWRENCE AND MEMORIAL HOSPITAL, INC.

2. THE CERTIFICATE OF INCORPORATION IS *(check A, B or C)*:

☐ A. AMENDED

☐ B. RESTATED

☒ C. AMENDED AND RESTATED

THE RESTATED CERTIFICATE CONSOLIDATES ALL AMENDMENTS INTO A SINGLE DOCUMENT

3. TEXT OF EACH AMENDMENT / RESTATEMENT:

On November 26, 2012, the Board of Directors and the Member of Lawrence and Memorial Hospital, Inc. (the "Hospital") approved an Amended and Restated Certificate of Incorporation, as attached hereto (the "Restated Certificate"). The Restated Certificate includes the following substantive amendments:

1. The Hospital's name is changed to Lawrence + Memorial Hospital, Inc.
2. The Hospital's purpose set forth in Section 2 has been slightly modified.
3. Section 5 relating to the Hospital's Board of Directors has been revised.
4. Sections 6 and 7 relating to the rights, powers and privileges of the Hospital's Member have been modified.

FORM CAN-1-1.0
Rev. 7/2010

DOHP0157

4. VOTE INFORMATION *(CHECK A,B or C)*

☒ A. THE AMENDMENT WAS DULY APPROVED BY THE MEMBERS IN THE MANNER REQUIRED BY SECTIONS 33-1140 TO 33-1147 OF THE CONNECTICUT GENERAL STATUTES, AND BY THE CERTIFICATE OF INCORPORATION.

☐ B. THE AMENDMENT WAS DULY APPROVED BY THE INCORPORATORS AND MEMBER APPROVAL WAS NOT REQUIRED.

☐ C. THE AMENDMENT WAS DULY APPROVED BY THE BOARD OF DIRECTORS AND MEMBER APPROVAL WAS NOT REQUIRED.

5. EXECUTION:

DATED THIS 27 DAY OF December , 20 12

NAME OF SIGNATORY	CAPACITY/TITLE OF SIGNATORY	SIGNATURE
Bruce D. Cummings, FACHE	President & Chief Executive Officer	

FILING #0004779070 PG 02 OF 05 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00065
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FILING #0004779070 PG 03 OF 05 VOL B-01755
FILED 12/28/2012 01:00 PM PAGE 00066
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CONNECTICUT SECRETARY OF THE STATE

Amended and Restated

Certificate of Incorporation

Lawrence + Memorial Hospital, Inc.

Sec. 1. The name of the corporation is **Lawrence + Memorial Hospital, Inc.** (the "Hospital").

Sec. 2. The nature of the activities to be conducted, or the purposes to be promoted or carried out by the Hospital shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code") and shall include the following:

(a) To establish, maintain and carry on an institution within the healthcare delivery system administered by Lawrence + Memorial Corporation, with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

(b) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

(c) To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Directors may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

(d) In furtherance of the foregoing, to engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act"), as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

Sec. 3. The Hospital is nonprofit and shall not have or issue shares of stock or pay dividends.

Sec. 4. The Hospital shall have but one member, Lawrence + Memorial Corporation (the "Member"), which shall elect the Board of Directors of the Hospital in accordance with the Bylaws, shall have all of the other rights, powers and privileges usually or by law accorded to the members of a nonstock federally tax-exempt corporation and not conferred thereby or by the Certificate of Incorporation or Bylaws upon the Board of Directors of the Hospital, and shall have such additional rights, privileges and obligations as may be accorded to the Sole Member in the Certificate of Incorporation or Bylaws from time to time.

Sec. 5. The business, property and affairs of the Hospital shall be directed and managed by a Board of Directors. The corporate powers of the Board of Directors, and any applicable limitations thereon, shall be as set forth in the Bylaws as in effect from time to time. The Bylaws shall prescribe the number, qualifications and manner of election of directors. As may be further provided in the Bylaws, the terms of directors elected by the Member shall be staggered by dividing the total number of these directors into three (3) groups, so that approximately an equal number of such directors have terms that expire each year. The Bylaws may provide that certain persons occupying certain positions within or without the Hospital shall be *ex officio* directors, who may be counted in determining a quorum and may have the right to vote.

Sec. 6. The Member shall have the sole power, in accordance with the Bylaws, to adopt, amend or repeal the Hospital's Bylaws and Certificate of Incorporation.

Sec. 7. No part of the net earnings of the Hospital shall inure to the benefit of or be distributable to the Hospital's directors, officers or other private persons, except that the Hospital, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Hospital shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Hospital shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Sec. 8. Upon any dissolution of the Hospital, all of its property and assets shall, after payment of the lawful debts of the Hospital and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to the Member, so long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution or termination of existence of the Hospital, the Member is not in existence or does not so qualify, to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Directors may determine.

Sec. 9. In addition to, and not in derogation of, any other rights conferred by law, a director of the Hospital shall not be personally liable for monetary damages for breach of duty as a director in an amount greater than the compensation received by the director for serving the Hospital during the year of the violation if the breach did not (1) involve any knowing and culpable violation of law by the director, (2) enable the director or an associate, as defined by Section 33-840 of the Connecticut General Statutes, to

receive an improper personal gain, (3) show a lack of good faith and conscious disregard for the duty of the director to the Hospital under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the Hospital.

Sec. 10. Indemnification.

(a) The Hospital shall provide indemnification to any person made a party to a civil, criminal, administrative or investigative proceeding because he or she is or was a director or officer of the Hospital against liability and reasonable expenses incurred in the proceeding; provided however, that the Hospital may not indemnify a director or officer of the Hospital unless a determination has been made, on a case-by-case basis, that such indemnification is permissible under the circumstances, because the director or the officer, as the case may be, has met the applicable standard of conduct set forth in Section 33-1117(a) of the Act, as such subsection may be amended from time to time. Such determination shall not be made by the court or other tribunal conducting the proceeding, or by any other court of competent jurisdiction, but shall instead be made in accordance with Section 33-1121 of the Act, as such section may be amended from time to time.

(b) The Hospital may not indemnify a director or officer of the Hospital in connection with a proceeding by or in the right of the Hospital, in which the director or the officer, as the case may be, was adjudged liable to the Hospital, or in connection with any other proceeding charging improper benefit to him or her, whether or not involving official capacity, in which he or she was adjudged liable on the basis that personal benefit was received.

(c) Employees or agents of the Hospital and Hospital medical staff members acting in official medical staff capacity who are not directors or officers of the Hospital may be indemnified against liability and reasonable expenses in the same manner as set forth in subsections (a) and (b) above, except that the determination required by subsection (a) may in addition be made by the general counsel of the Hospital, or such additional officer or officers as the Board of Directors may specify. In the case of employees, agents and medical staff members of the Hospital who are not directors or officers, however, the extent of indemnification may be less than the indemnification of directors and officers, even if the standard in subsection (a) is met, depending upon the extent to which the directors, committee, legal counsel, Member or officers making the determination conclude that the person is fairly and reasonably entitled to indemnification in view of all the relevant circumstances. In no event shall Hospital medical staff members be entitled to indemnification for any malpractice suit, claim (whether or not filed in court), settlement, judgment, verdict or decree arising out of or in connection with medical services rendered (or the failure to render such services).

STATE OF CONNECTICUT
OFFICE OF THE SECRETARY OF THE STATE } SS. HARTFORD

I hereby certify that this is a true copy of record in this Office

In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 14th day of Jan A.D. 2013

SECRETARY OF THE STATE

AMENDED AND RESTATED BYLAWS
OF
LAWRENCE + MEMORIAL HOSPITAL, INC.

****

ARTICLE I

Role and Purpose of the Hospital; Member

Section 1.01. Role and Purpose of the Hospital. The role and purpose of Lawrence + Memorial Hospital, Inc. (the "Hospital") shall be as follows:

a. To establish, maintain and carry on an institution within the health care delivery system (the "System") administered by Lawrence + Memorial Corporation, with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

b. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

c. To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Directors may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

d. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act (the "Act"), as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

Section 1.02. Member; Lawrence & Memorial Corporation. The Hospital shall have but one (1) member, Lawrence + Memorial Corporation (the "Member"), which shall elect the Board of Directors of the Hospital (also referred to in these Bylaws as the "Board" or "Board of Directors"), adopt, amend and repeal these Bylaws, and have all of the other

rights, powers and privileges usually or by law accorded to the members of a nonstock federally tax-exempt corporation and not conferred by the Certificate of Incorporation or these Bylaws on the Board of Directors of the Hospital. In addition to any other rights, powers and privileges as it may have by law or under the Certificate of Incorporation, the Member shall have the right and power to:

(a) Approve the philosophy, mission and values of the Hospital and any change thereto;

(b) Adopt strategic plans for the Hospital;

(c) Approve the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(d) Approve the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;

(e) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Hospital, and any amendments thereto or restatements thereof;

(f) Approve all core competencies and qualifications required for selection of the Hospital's Directors;

(g) In consultation with and upon recommendation of the Board, appoint all Directors of the Hospital, and remove, with or without cause, all Directors or board officers of the Hospital;

(h) In consultation with and upon recommendation of the Board, appoint and remove, determine the compensation for, and conduct the evaluation of, the President and Chief Executive Officer of the Hospital (the "President and CEO");

(i) Select and approve any auditor of the annual audited financial statements for the Hospital;

(j) Approve any accounting or debt management programs, establish any debt limits under such programs, approve any variances from such programs or limits for the Hospital, and incur or assume any debt on behalf of the Hospital;

(k) Approve the incurrence of debt or financing by the Hospital, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets;

(l) Oversee the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds;

(m) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Hospital under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(n) Initiate or consent to any form of insolvency proceeding undertaken by the Hospital or any direct or indirect subsidiary of the Hospital;

(o) Approve all projects, agreements or transactions undertaken by the Hospital involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(p) Approve the services offered by the Hospital, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(q) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Hospital or any direct or indirect subsidiary of the Hospital;

(r) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Hospital or any direct or indirect subsidiary or the Hospital;

(s) Approve the acquisition of any real estate or any significant lease arrangement by the Hospital, except as otherwise included in a strategic or financial plan or approved budget;

(t) Approve any management contract or outsourcing arrangement for the Hospital which would substantially impact or alter its operations; and

(u) Approve any change in the primary business name or logo of the Hospital.

Section 1.03. Manner of Action by Member. Any action permitted or required of the Member by law, the Certificate of Incorporation or these Bylaws may be taken by vote of its board of directors, or by or through any person or persons designated by either its bylaws or its board of directors to act on its behalf. Except as provided in Section 2.05 of these Bylaws, any such action may also be taken without a meeting by written communication of a duly authorized representative of the Member acting within the limits of his/her authority. Any such action by the Member or its duly authorized representative shall be filed with the Secretary of the Hospital. Whenever approval by the Member is required by law, the Certificate of Incorporation or these Bylaws, the Member shall attempt to act on a request for approval within the timeframe set forth in any schedule that may be developed from time to time, or if no such schedule exists, in a timely manner.

ARTICLE II

Board of Directors

Section 2.01. Composition. The Board of Directors shall consist of not less than five (5) nor more than eleven (11) Directors, such number within the variable range to be determined by the Member at its annual meeting. At all times, up to five (5) of these Directors shall serve ex-officio: the President and CEO; the President and Chief Executive Officer of the Member (if such individual is not also concurrently serving as the Hospital's President and CEO), the President of the Medical Staff; the Vice President of the Medical Staff; and a representative-at-large of the Medical Staff who ordinarily shall be the immediate past President or a former President of the Medical Staff (the "Ex-Officio Directors"). The remainder of the Directors, the "Elected Directors," shall be members of the Member and elected by the Member in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, so that approximately one-third (1/3) of the Directors shall have terms that expire annually. The Elected Directors and the Ex-Officio Directors are together referred to in these Bylaws as the "Directors."

Section 2.02. Election and Terms. Elected Directors shall be elected by the Member at its annual meeting from a slate of nominees prepared by its Governance Committee. No other nominations shall be permitted. Except as provided otherwise in these Bylaws, Elected Directors shall serve a term of three (3) years, or until their resignation, removal or death. The Member may elect Directors to serve one-year or two-year terms in order to achieve the groupings required by Section 2.01 of these Bylaws.

Section 2.03. Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term. After serving the maximum time permitted under this Section, an Elected Director may be re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.

Section 2.04. Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Hospital. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio

Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board or the Member.

Section 2.05. Removal. An Elected Director may be removed by the affirmative vote of the Member at a meeting of the Member's board of directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Director.

Section 2.06. Vacancies. A vacancy of an Elected Director may be filled by the Member or the Board at any regular or special meeting. If filled by the Board, the individual elected to fill the vacancy shall serve until the next meeting of the Member at which Directors are elected.

Section 2.07. Duties and Responsibilities. Subject to the rights, powers and privileges accorded to the Member in the Certificate of Incorporation, these Bylaws, or by law, the Board shall manage and direct the business, property, and affairs of the Hospital. The Board shall exercise all of the powers of the Hospital in accordance with these Bylaws. Without limiting the foregoing, the Board shall have the power to:

(a) Develop and recommend to the Member the philosophy, mission and values of the Hospital and any changes thereto;

(b) Develop and recommend to the Member the Hospital's strategic plans;

(c) Develop and recommend to the Member the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(d) Annually assess the Hospital's performance against approved budgets, initiatives and strategic plans adopted by the Member;

(e) Recommend to the Member the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Hospital or any direct or indirect subsidiary of the Hospital;

(f) Recommend to the Member the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;

(g) Recommend to the Member the introduction or termination of any services to be offered by the Hospital not otherwise included in an approved budget or a strategic or financial plan;

(h) Approve any consent decree or settlements from state and federal authorities, following consultation with the Member;

(i) Recommend to the Member changes to the Hospital's Certificate of Incorporation and Bylaws;

(j) Recommend to the Member nominations for and removal of Directors of the Hospital;

(k) Elect officers of the Board, and recommend to the Member the removal of any officer of the Board;

(l) Recommend to the Member the selection, evaluation and compensation of the President and CEO;

(m) Approve business transactions or material contracts, subject to the rights of the Member set forth in Section 1.02, not otherwise included in an approved budget or a strategic or financial plan;

(n) Approve any incurrence or assumption of debt by the Hospital in accordance with the guidelines for accounting and debt management programs established by the Member;

(o) Periodically assess the Hospital's Quality Initiatives, including tracking and reporting on the Hospital's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(p) Periodically assess the Hospital's policies and programs to assure corporate and regulatory compliance, including all required state and federal license and generally recommended accreditations and certifications;

(q) Periodically assess the Hospital's policies and programs relating to human relations and labor relations;

(r) Periodically assess the Hospital's Development Plans and its Planned Giving Plans;

(s) Periodically assess the Hospital's Community Relations Initiatives and Community Outreach Programs;

(t) Plan and implement policies and programs relating to the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds, annual appeal funds, and net proceeds from special fundraising events;

(u) Approve actions with respect to the privileges and credentials of members of the Hospital's medical staff in accordance with state and federal law, applicable accreditation standards, the Hospital's Medical Staff Bylaws and any System guidelines established by the Member;

(v) Evaluate the Board's performance; and

(w) Recommend to the Member the appointment and removal of the President and CEO.

Section 2.08. Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Hospital for their reasonable expenses and disbursements in that capacity on behalf of the Hospital.

Section 2.09. Directors Emeriti. In its discretion, the Member may appoint Directors Emeriti. To be eligible for appointment, an individual shall have contributed lengthy and exemplary service to the Hospital as a Director. From time to time, Directors Emeriti may be invited to attend Board meetings, but shall not vote or be counted towards a quorum. Individuals appointed as Directors Emeriti shall retain such appointments for life.

ARTICLE III

Meetings of the Board of Directors

Section 3.01. Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, unless the Chair shall designate a different date for the annual meeting of the Board. The transaction of business at the annual meeting shall be unlimited except as otherwise specified in these Bylaws. There shall be up to twelve (12) regular meetings of the Board per fiscal year, with a schedule of such meetings to be adopted by resolution of the Board.

Section 3.02. Notice of Annual and Regular Meetings. The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.

Section 3.03. Special Meetings. Special meetings may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled

time of the meeting and no business shall be transacted at such meeting other than that specifically set forth in the notice.

Section 3.04. Quorum; Vote Required for Action. A majority of all Directors shall constitute a quorum at all meetings of the Board. The affirmative vote of a majority of the Directors present at a meeting at which time a vote is taken shall be the act of the Board, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law. Ex-officio Directors shall be counted in determining a quorum and shall be entitled to vote.

Section 3.05. Action Without Meeting. If all members of the Board consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the Board; all written consent(s) shall be included in the corporate minutes or filed with the corporate records.

Section 3.06. Participation by Conference Telephone. Any member of the Board may participate in a meeting by means of a conference telephone or similar communications equipment enabling all members of the Board participating in the meeting to hear one another, and such participation shall constitute presence in person at such meeting.

Section 3.07. Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board, and minutes of each meeting shall be prepared and submitted to the Board for approval by the Secretary or a delegate. Minutes shall reflect attendance at the meeting, and shall be dated, signed and maintained in the corporate records following approval.

Section 3.08. Executive Session. The Board of Directors shall meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors who are employees of the Hospital may at the discretion of the Chair be excluded from all or any portion of an executive session.

ARTICLE IV

Officers

Section 4.01. Officers. The officers shall be a Chair, the President and CEO, a Secretary, a Treasurer, and such other officers as may from time to time be designated by the Board. The Chair, Secretary and Treasurer shall be chosen from the members of the Board and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines. The offices of Chair, President and CEO, and Treasurer shall be held by different individuals.

Section 4.02. Election. The officers, except for the President and CEO, shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting.

Section 4.03. Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board at any Board meeting.

Section 4.04. Removal. Any officer may be removed with or without cause by the Member at any meeting of the board of directors of the Member, provided that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is removal of the officer.

Section 4.05. Duties. The duties of the officers shall be as follows:

a. Chair. The Chair or in the Chair's absence a Director who is the Chair's delegate or who is appointed by the Board shall preside at all meetings of the Board and shall perform other duties incident to the office or delegated by the Board or these Bylaws. The Chair shall be an ex-officio member of all committees.

b. President and CEO. The President and CEO shall be the chief executive officer of the Hospital and shall perform such other duties incident to that office or delegated by the Member, the Board or these Bylaws. The Hospital's President and CEO shall be an ex-officio member of all committees established by the Board. The Member shall appoint the President and CEO, who shall serve until his or her death, resignation, disability, or removal in accordance with these Bylaws.

c. Secretary. The Secretary shall maintain the minutes of the meetings of the Board in the corporate records; give or cause to be given all notices required by these Bylaws or by law; serve as custodian of the Board's records; make such records available to the Board upon its request; and perform all other duties incident to the office or delegated by the Board or these Bylaws.

d. Treasurer. The Treasurer shall supervise the receipt and custody of the Hospital's funds and investments; render a full account and statement of the condition of the Hospital's finances at each annual meeting of the Board and at such other times as requested by the Board; and perform other duties incident to the office or as may be delegated by the Board or these Bylaws.

e. Other Officers: The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or such other officers as the Board may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.

ARTICLE V

President and CEO

Section 5.01. Appointment. The Member shall appoint a President and CEO in accordance with these Bylaws. Other executive management staff shall be appointed by the President and CEO with the approval of the Board. The removal of the President and CEO shall be at the discretion of the Member.

Section 5.02. Qualifications for the President and CEO. The Board shall develop and recommend to the Member a criteria-based process for selecting a President and CEO. Among other criteria, education and relevant experience are important qualifications. The Board shall also develop and recommend to the Member any performance objectives, evaluations and compensation programs for the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Hospital's senior leader.

Section 5.03. Responsibilities of the President. The President and CEO shall be the chief executive officer of the Hospital. Subject to the powers expressly reserved to the

Board or the Member, the President and CEO shall, in general, supervise and control all the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. If no Chair or Vice Chair has been appointed or in the absence of the Chair or Vice Chair, the President and CEO shall, in general, supervise and control all of the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. The President and CEO shall see that all orders and resolutions of the Board and of the committees of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be assigned to the President and CEO by these Bylaws, by the Board, or by the Member.

Section 5.04. Attendance at Meetings. The President shall attend all meetings of the Board unless excused by the Chair.

ARTICLE VI

Committees

Section 6.01. Generally. The Board may establish ad hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Director and two (2) other individuals who may or may not be Directors. Each committee established by the Board shall be chaired by a Director of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 6.02. Committee Procedures. Notice of the date, time and location of a committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board.

Section 6.03. Committees - Miscellaneous Provisions. The Chair may designate one or more officers of the Hospital to serve as ex-officio members of a committee. Each such committee shall adopt and follow rules and procedures for its organization and operation.

Section 6.04 "Medical Review Committees". Any committee or subcommittee referred to in or otherwise established in accordance with the provisions of these Bylaws, as well as the Board itself, when engaged in any peer review activity, is intended to be a "medical review committee" within the meaning of that term as set forth in Chapter 368a of the Connecticut General Statutes, as amended from time to time.

ARTICLE VII

Medical Staff

Section 7.01. The Appointment and Governance of the Medical Staff. The Board shall appoint all members of the Hospital's Medical Staff, approve each member's delineated clinical privileges, and be responsible for the organization and activities of the Medical Staff. The Board shall adopt and from time to time review the bylaws and rules and regulations of the Medical Staff. The Board shall assure that the Medical Staff complies with such bylaws, rules and regulations, and shall have and regularly consult with a liaison of the Medical Staff.

Section 7.02. Recommendations of The Medical Staff Executive Committee. The Board shall accept and review, for possible adoption by the Board, specific recommendations from the Medical Staff executive committee, made in accordance with the provisions of the Medical Staff bylaws, and relating to:

a. The structure of the Medical Staff;

b. The process designed for reviewing credentials and delineating individual clinical privileges;

c. Recommendations for Medical Staff membership;

d. The organization of the Medical Staff's performance-improvement activities, as well as the process designed for conducting, evaluating and revising such activities;

e. The process by which Medical Staff membership may be terminated; and

f. The fair-hearing process.

ARTICLE VIII

Conflict of Interest; Confidentiality

Section 8.01. "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board expects the Directors to exercise good judgment and follow high ethical standards. Individuals serving the Hospital should never permit private interests to conflict in any way with their obligations to the Hospital and to any entities affiliated with the Hospital. In addition, all Directors must honor the confidential nature of Hospital information and strive to maintain its confidentiality. To this end, from time to time the Board shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons"; disclosure by Board members; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.

ARTICLE IX

Amendments

Section 9.01. Amendments. Except as otherwise provided by the Certificate of Incorporation, or by law, the Member may adopt, amend or repeal these Bylaws.

ARTICLE X

Auxiliary

Section 10.01. Auxiliary. There may be an auxiliary known as "The Auxiliary of Lawrence & Memorial Hospital." It shall be a unit of the Hospital and shall be governed and operated under bylaws approved by the Board with the approval of the members of the Auxiliary. All funds of the Auxiliary shall be subject to the direction and control of the Board, consistent with the approved bylaws of the Auxiliary.

ARTICLE XI

Miscellaneous

Section 11.01. Principal Office. The principal office of the Hospital shall be located in New London, Connecticut.

Section 11.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the Certificate of Incorporation or these Bylaws, or of a resolution of the Member or the Board, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Hospital shall cause any such waiver to be filed with or entered upon the records of the Hospital or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon the person's arrival, the person objects to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Adopted by the Board of Directors of
Lawrence & Memorial Corporation on November 26, 2012 for
Effective Date of December 12, 2012

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Hospital, Inc.

Sec. 1. The name of the corporation is Lawrence + Memorial Hospital, Inc. (the "Hospital").

Sec. 2. The nature of the activities to be conducted, and the purposes to be promoted or carried out by the Hospital, shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code") and shall include the following:

(a) To establish, maintain and carry on an institution with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

(b) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

(c) To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Trustees may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

(d) To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Hospital shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Hospital's charitable purposes and the charitable purposes of all System affiliates.

Sec. 3. The Hospital is nonprofit and shall not have or issue shares of stock or pay dividends.

Sec. 4. The Hospital shall have but one member, Lawrence + Memorial Corporation (the "Sole Member"), which shall have the rights, powers and privileges provided in the Bylaws and by the State of Connecticut, including the right to exercise, on behalf of and as directed by its sole member, Yale-New Haven Health Services Corporation ("YNHHSC"), certain expressly reserved powers and retained rights described in the Bylaws.

Sec. 5. Subject to the rights, powers and privileges accorded to the Sole Member and to YNHHSC under the Bylaws and by the State of Connecticut, the Hospital shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Hospital shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Hospital, the terms of elected trustees may be staggered by dividing the trustees into groups so that approximately an equal number of such trustees have terms that expire each year.

Sec. 6. No part of the net earnings of the Hospital shall inure to the benefit of or be distributable to the Hospital's trustees, officers or other private persons, except that the Hospital, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Hospital shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Hospital shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Sec. 7. Upon any dissolution of the Hospital, all of its property and assets shall, after payment of the lawful debts of the Hospital and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Lawrence + Memorial Corporation, so long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution of the Hospital, Lawrence + Memorial Corporation is not in existence or does not so qualify, to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

Sec. 8. In addition to, and not in derogation of, any other rights conferred by law, a trustee of the Hospital shall not be personally liable for monetary damages for breach of duty as a trustee in an amount greater than the compensation received by the trustee for serving the Hospital during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such trustee, (B) enable such trustee or an associate (as defined in

Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such trustee to the Hospital under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Hospital. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or the Sole Member of the Hospital shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Sec. 9. The Hospital shall provide its trustees with the full amount of indemnification that the Hospital is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Hospital shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Hospital under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Hospital.

The Hospital may indemnify and advance expenses to each officer, employee or agent of the Hospital who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Hospital is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Hospital shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Sec. 10. This Certificate of Incorporation and the Bylaws of the Hospital may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Sole Member and YNHHSC.

LAWRENCE + MEMORIAL HOSPITAL, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 2
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 4
Section 3.2 Composition 5
Section 3.3 Number 5
Section 3.4 Election of Trustees 5
Section 3.5 Term and Term Limits 6
Section 3.6 Resignation 6
Section 3.7 Removal 7
Section 3.8 Vacancies 7
Section 3.9 Meetings 7
Section 3.10 Notice of Meetings 7
Section 3.11 Waiver of Notice 7
Section 3.12 Action by Unanimous Written Consent 8
Section 3.13 Participation by Conference Call 8
Section 3.14 Quorum and Voting 8
ARTICLE IV. OFFICERS 8
Section 4.1 Officers 8
Section 4.2 Election and Term of Office 8
Section 4.3 Powers 9
Section 4.4 Resignation and Removal 9
Section 4.5 Vacancies 10
Section 4.6 Other Officers 10
ARTICLE V. COMMITTEES 10
Section 5.1 Classification 10
Section 5.2 Appointment of Committee Members 10
Section 5.3 Committee Governance 10
Section 5.4 Standing Committees 11
Section 5.5 Other Committees 11
Section 5.6 Powers of Committees 11
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 12
ARTICLE VIII. MISCELLANEOUS PROVISIONS 12
Section 8.1 Fiscal Year 12
Section 8.2 Execution of Deeds and Contracts 12
Section 8.3 Execution of Negotiable Instruments 12
Section 8.4 Auxiliary 12

Section 8.5 Department Chairs 12
ARTICLE IX. AMENDMENTS 12
EXHIBIT A 13
EXHIBIT B 15

LAWRENCE + MEMORIAL HOSPITAL, INC.
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Lawrence + Memorial Hospital, Inc.** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Hospital and any changes thereto;

(ii) Recommend to the Member and YNHHSC the Corporation's strategic plans;

(iii) Recommend to the Member and YNHHSC the Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Corporation or any Affiliate;

(v) Recommend to the Member and YNHHSC the formation or acquisition by the Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) Recommend to the Member approval of any consent decree or settlements from state and federal authorities;

(ii) Recommend to the Member nominations for and removal of Trustees of the Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(iv) Periodically assess the Corporation's Quality Initiatives, including tracking and reporting on the Hospital's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(v) Periodically assess the Corporation's Development Plans and its Planned Giving Plans;

(vi) Periodically assess the Corporation's Community Relations Initiatives and Community Outreach Programs;

(vii) Approve actions with respect to the privileges and credentials of members of the Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the Corporation's Medical Staff Bylaws and any System guidelines established by the Member, subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(viii) Evaluate the Board's performance.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of

demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants**. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings of the Board and shall not be counted in determined a quorum thereof.

Section 3.3 Number. The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected

Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board

with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 **Meetings**.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 **Notice of Meetings**. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 **Waiver of Notice**. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 **Action by Unanimous Written Consent**. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 Election and Term of Office. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President.** The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to

such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee.** The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee**. The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review committee" within the meaning of that term as set forth in Chapter 368a of the Connecticut General Statutes, as amended from time to time.

Section 5.5 Other Committees. The Board may establish and appoint ad-hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Trustee and two (2) other individuals who may or may not be Trustees. Each such committee shall be chaired by a Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer

than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 **Department Chairs**. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Certificate of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate,

Other Major Activities

A. In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Filing Fee: $35.00

2012 MAY 29 PM 4:01

SECRETARY OF STATE
CORPORATIONS DIV

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Division of Business Services
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF INCORPORATION

The undersigned, acting as incorporator(s) of a corporation under Chapter 7-6 of the General Laws of Rhode Island, 1956, as amended, adopt(s) the following Articles of Incorporation for such corporation:

1. The name of the corporation is LMW Healthcare, Inc.

2. The period of its duration is (if perpetual, so state) Perpetual

3. The specific purpose or purposes for which the corporation is organized are:

The Corporation is formed and shall be operated exclusively for scientific, educational, and charitable purposes, as qualified under Section 501(c)(3) of the Internal Revenue Code of 1986 (as now in effect or may hereafter be amended)(the "Code"). The purpose is to establish, maintain and carry on an institution with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to engage in any lawful act or activity for which a corporation may be organized under the Rhode Island Nonprofit Corporation Act, as the same may be amended from time to time.

4. Provisions, if any, not inconsistent with the law, which the incorporators elect to set forth in these articles of incorporation for the regulation of the internal affairs of the corporation are:

See Exhibit A attached hereto

Form No 200
Revised 12/05

DOHP0198

5. The address of the initial registered office of the corporation is:

One Citizens Plaza, Suite 500
(Street Address, not P.O. Box)

Providence, RI 02903 and the name of its initial registered agent at
(City/Town) (Zip Code)

such address is Stephen D. Zubiago, Esq.
(Name of Agent)

6. The number of directors constituting the initial Board of Directors of the Corporation is 3
(not less than 3 directors)

and the names and address of the persons who are to serve as the initial directors are:

Name	*Address*
Bruce D. Cummings	901 Pequot Avenue, New London, CT 06320
Marilyn Materba	4 Glen Craig Place, Uncasville, CT 06382
Ulysses B. Hammond	8 Susan Terrace, Waterford, CT 06385

7. The name and address of each incorporator is:

Name	*Address*
Bruce D. Cummings	901 Pequot Avenue, New London, CT 06320

8. These Articles of Incorporation shall be effective upon filing unless a specified date is provided which shall be no later than the 30th day after the date of this filing Upon Filing

Under penalty of perjury, I/we declare and affirm that I/we have examined these Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

_____

_____

_____

_____

_____
Signature of each Incorporator

Attachment to
Articles of Incorporation for:
LMW Healthcare, Inc.

4. **Provisions, if any, not inconsistent with the law, which the incorporators elect to set forth in these articles of incorporation for the regulation of the internal affairs of the corporation are:**

(a) No part of the net earnings of the Corporation shall inure to the benefit of any director or officer of the Corporation or any private individual, except that reasonable compensation may be paid for services rendered to or for the Corporation. No director or officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(b) No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, except as otherwise provided by Section 501(h) of the Code. The Corporation shall not participate or intervene (including the publication or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

(c) Notwithstanding any other provision of these articles, the Corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, as specified in Section 501(c)(3) of the Code. The Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code.

(d) In the event of the liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary or by operation of law, all of the remaining assets and property of the Corporation shall after necessary expenses thereof be distributed to one or more organizations which are then qualified under Section 501(c)(3) of the Code to be used in such manner as will best accomplish the general purposes for which this Corporation was formed, to be determined in the discretion of the Board of Directors.

AMENDED AND RESTATED BYLAWS
OF
LMW HEALTHCARE, INC.
d/b/a The Westerly Hospital

ARTICLE I

Role and Purpose of the Hospital; Member

Section 1.01 Role and Purpose of the Hospital. LMW Healthcare, Inc. (the "Hospital") shall be organized and operated exclusively for charitable purposes within the meaning of the Internal Revenue Code of 1986, as now in effect or as may hereafter be amended (the "Code"). The Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code. The role and purpose of the Corporation shall include the following:

a. To establish, maintain and carry on an institution within the health care delivery system (the "System") administered by Lawrence + Memorial Corporation, with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

b. To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

c. To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Directors may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

d. To engage in any lawful act or activity for which a corporation may be organized under the Rhode Island Revised Nonprofit Corporation Act (the "Act"), as now in effect and as the same may be amended from time to time.

Section 1.02 Member; Lawrence + Memorial Corporation. The Hospital shall have but one (1) member, Lawrence + Memorial Corporation (the " Member"), which shall elect the Board of Directors of the Hospital (also referred to in these Bylaws as the Board or Board of Directors), adopt, amend and repeal these Bylaws, and have all of the other rights, powers and privileges usually or by law accorded to the members of a nonprofit federally tax-exempt corporation and not conferred by the Certificate of Incorporation or these Bylaws on the Board of Directors of the Hospital. In addition to any other rights, powers and privileges as it may have by law or under the Certificate of Incorporation, the Member shall have the right and power to:

(a) Approve the philosophy, mission and values of the Hospital and any change thereto;

(b) Adopt strategic plans for the Hospital;

(c) Approve the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(d) Approve the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;

(e) Approve the Certificate of Incorporation, Bylaws and other governance documents of the Hospital, and any amendments thereto or restatements thereof;

(f) Approve all core competencies and qualifications required for selection of the Hospital's Directors;

(g) In consultation with and upon recommendation of the Board, appoint all Directors of the Hospital, and remove, with or without cause all Directors or board officers of the Hospital;

(h) In consultation with and upon recommendation of the Board, appoint and remove, determine the compensation for, and conduct the evaluation of, the President and Chief Executive Officer of the Hospital (the "President and CEO");

(i) Select and approve any auditor of the annual audited financial statements for the Hospital;

(j) Approve any accounting or debt management programs, establish any debt limits under such programs, approve any variances from such programs or limits for the Hospital, and incur or assume any debt on behalf of the Hospital;

(k) Approve the incurrence of debt or financing by the Hospital, other than credit purchases of goods or services in the ordinary course of business, except as included in approved capital or operating budgets;

(l) Oversee the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds;

(m) Approve any voluntary change to the federal income tax exemption granted by the IRS to the Hospital under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

(n) Initiate or consent to any form of insolvency proceeding undertaken by the Hospital or any direct or indirect subsidiary of the Hospital;

(o) Approve all projects, agreements or transactions undertaken by the Hospital involving the expenditure of funds or divestiture of assets in excess of $250,000 and not otherwise included in an approved budget;

(p) Approve the services offered by the Hospital, new service lines or termination of existing service lines not otherwise included in an approved budget or a strategic or financial plan;

(q) Approve any sale, lease, transfer, or substantial change in the use of all or substantially all of the assets of the Hospital or any direct or indirect subsidiary of the Hospital;

(r) Approve any merger, consolidation, restructuring, change in corporate ownership, dissolution, or liquidation of the Hospital or any direct or indirect subsidiary of the Hospital;

(s) Approve the acquisition of any real estate or any significant lease arrangement by the Hospital, except as otherwise included in a strategic or financial plan or approved budget;

(t) Approve any management contract or outsourcing arrangement for the Hospital which would substantially impact or alter its operations; and

(u) Approve any change in the primary business name or logo of the Hospital.

Section 1.03 Manner of Action by Member. Any action permitted or required of the Member by law, the Certificate of Incorporation or these Bylaws may be taken by vote of its

board of directors, or by or through any person or persons designated by either its bylaws or its board of directors to act on its behalf. Except as provided in Section 2.05 of these Bylaws, any such action may also be taken without a meeting by written communication of a duly authorized representative of the Member acting within the limits of his/her authority. Any such action by the Member or its duly authorized representative shall be filed with the Secretary of the Hospital. Whenever approval by the Member is required by law, the Certificate of Incorporation or these Bylaws, the Member shall attempt to act on a request for approval within the timeframe set forth in any schedule that may be developed from time to time, or if no such schedule exists, in a timely manner.

ARTICLE II

Board of Directors

Section 2.01 Composition. Following the first annual meeting (as set forth in Section 3.01 below) or at such earlier time as determined in the discretion of the initial Board of Directors, the Board of Directors shall consist of not less than three (3) nor more than eleven (11) Directors, such number within the variable range to be determined by the Member at its annual meeting. At all times, up to five (5) of these Directors shall serve ex-officio: the President and CEO, the President and Chief Executive Officer of the Member (if such individual is not also concurrently serving as the Hospital's President and CEO), the President of the Medical Staff; the Vice President of the Medical Staff; and a representative-at-large of the Medical Staff who ordinarily shall be the immediate past President or a former President of the Medical Staff (the "Ex-Officio Directors"). The remainder of the Directors, the "Elected Directors," shall be members of the Member and elected by the Member in accordance with these Bylaws. The Elected Directors shall be divided into three (3) groups, so that approximately one-third (1/3) of the Directors shall have terms that expire annually. The Elected Directors and the Ex-Officio Directors are together referred to in these Bylaws as the "Directors."

Section 2.02 Election and Terms. Elected Directors shall be elected by the Member at its annual meeting from a slate of nominees prepared by its Governance Committee. No other nominations shall be permitted. Except as provided otherwise in these Bylaws, Elected

Directors shall serve a term of three (3) years, or until their resignation, removal or death. The Member may elect Directors to serve one-year or two-year terms in order to achieve the groupings required by Section 2.01 of these Bylaws.

Section 2.03 Tenure. An Elected Director shall be eligible for election to three (3) consecutive three-year terms. For the purposes of determining eligibility for re-election, an Elected Director who has served more than one and one-half (1 ½) years of a three-year term shall be deemed to have served a full term. An Elected Director may be re-elected for a fourth consecutive term if the Director is also elected as an officer at the beginning of such fourth term. After serving the maximum time permitted under this Section, an Elected Director may be re-elected to the Board only after the Director has been off the Board for a period of at least one (1) year.

Section 2.04 Resignation. An Elected Director may resign at any time by delivering written notice to the Secretary of the Hospital. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date. If an Ex-Officio Director resigns or is removed from the position from which his or her ex-officio status derives, the Ex-Officio Director will immediately and automatically cease to be a Director without further action by the Board or the Member.

Section 2.05 Removal. An Elected Director may be removed by the affirmative vote of the Member at a meeting of the Member's board of directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is removal of the Elected Director.

Section 2.06 Vacancies. A vacancy of an Elected Director may be filled by the Member or the Board at any regular or special meeting. If filled by the Board, the individual elected to fill the vacancy shall serve until the next meeting of the Member at which Directors are elected.

Section 2.07 Duties and Responsibilities. Subject to the rights, powers and privileges accorded to the Member in the Certificate of Incorporation, these Bylaws, or by law, the Board shall manage and direct the business, property, and affairs of the Hospital. The Board of Directors shall exercise all of the powers of the Hospital in accordance with these Bylaws. Without limiting the foregoing, the Board shall have the power to:

(a) Develop and recommend to the Member the philosophy, mission and values of the Hospital and any changes thereto;

(b) Develop and recommend to the Member the Hospital's strategic plans;

(c) Develop and recommend to the Member the Hospital's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(d) Annually assess the Hospital's performance against approved budgets, initiatives and strategic plans adopted by the Member;

(e) Recommend to the Member the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Hospital or any direct or indirect subsidiary of the Hospital;

(f) Recommend to the Member the formation or acquisition by the Hospital of any new direct or indirect subsidiaries, joint ventures or affiliations;

(g) Recommend to the Member the introduction or termination of any services to be offered by the Hospital not otherwise included in an approved budget or a strategic or financial plan;

(h) Approve any consent decree or settlements from state and federal authorities, following consultation with the Member;

(i) Recommend to the Member changes to the Hospital's Certificate of Incorporation and Bylaws;

(j) Recommend to the Member nominations for and removal of Directors of the Hospital;

(k) Elect officers of the Board, and recommend to the Member the removal of any officer of the Board;

(l) Recommend to the Member the selection, evaluation and compensation of the President and CEO;

(m) Approve business transactions or material contracts, subject to the rights of the Member set forth in Section 1.02, not otherwise included in an approved budget or a strategic or financial plan;

(n) Approve any incurrence or assumption of debt by the Hospital in accordance with the guidelines for accounting and debt management programs established by the Member;

(o) Periodically assess the Hospital's Quality Initiatives, including tracking and reporting on the Hospital's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(p) Periodically assess the Hospital's policies and programs to assure corporate and regulatory compliance, including all required state and federal license and generally recommended accreditations and certifications;

(q) Periodically assess the Hospital's policies and programs relating to human relations and labor relations;

(r) Periodically assess the Hospital's Development Plans and its Planned Giving Plans;

(s) Periodically assess the Hospital's Community Relations Initiatives and Community Outreach Programs;

(t) Plan and implement policies and programs relating to the Hospital's use, management and investment of its permanent and temporarily restricted endowment funds, annual appeal funds, and net proceeds from special fundraising events;

(u) Approve actions with respect to the privileges and credentials of members of the Hospital's medical staff in accordance with state and federal law, applicable accreditation standards, the Hospital's Medical Staff Bylaws and any System guidelines established by the Member;

(v) Evaluate the Board's performance; and

(w) Recommend to the Member the appointment and removal of the President and CEO.

Section 2.08 Compensation. The Directors shall serve without compensation for their services as Directors but may be reimbursed by the Hospital for their reasonable expenses and disbursements in that capacity on behalf of the Hospital.

Section 2.09 Directors Emeriti. In its discretion, the Member may appoint Directors Emeriti. To be eligible for appointment, an individual shall have contributed lengthy and exemplary service to the Hospital as a Director. From time to time, Directors Emeriti may be invited to attend Board meetings, but shall not vote or be counted towards a quorum. Individuals appointed as Directors Emeriti shall retain such appointments for life.

ARTICLE III
Meetings of the Board of Directors

Section 3.01 Annual and Regular Meetings. The annual meeting of the Board shall be held in the month of December on a date to be fixed by the Chair from year to year, unless the Chair shall designate a different date for the annual meeting of the Board. The transaction of business at the annual meeting shall be unlimited except as otherwise specified in these Bylaws. There shall be up to twelve (12) regular meetings of the Board per fiscal year, with a schedule of such meetings to be adopted by resolution of the Board.

Section 3.02 Notice of Annual and Regular Meetings. The Secretary shall give notice of the date, time and place of the annual meeting and each regular meeting of the Board by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person to each Director at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule approved by the Board.

Section 3.03 Special Meetings. Special meetings may be called at any time by the Chair, and shall be called by the Chair within seven (7) days of receipt of the written request of any three (3) Directors. Notice of the date, time, place and purpose of a special meeting shall be given to each Director by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled

time of the meeting and no business shall be transacted at such meeting other than that specifically set forth in the notice.

Section 3.04 Quorum; Vote Required for Action. A majority of all Directors shall constitute a quorum at all meetings of the Board. The affirmative vote of a majority of the Directors present at a meeting at which time a vote is taken shall be the act of the Board, unless the vote of a greater number is required by the Certificate of Incorporation, these Bylaws, or by law. Ex-officio Directors shall be counted in determining a quorum and shall be entitled to vote.

Section 3.05 Action Without Meeting. If all members of the Board consent in writing to any action taken or to be taken, the action shall be the same as if authorized at a meeting of the Board; all written consent(s) shall be included in the corporate minutes or filed with the corporate records.

Section 3.06 Participation by Conference Telephone. Any member of the Board may participate in a meeting by means of a conference telephone or similar communications equipment enabling all members of the Board participating in the meeting to hear one another, and such participation shall constitute presence in person at such meeting.

Section 3.07 Agenda and Records of Meetings. There shall be a written agenda for each meeting of the Board, and minutes of each meeting shall be prepared and submitted to the Board for approval by the Secretary or a delegate. Minutes shall reflect attendance at the meeting, and shall be dated, signed and maintained in the corporate records following approval.

Section 3.08 Executive Session. The Board of Directors shall meet in executive session at least once during each fiscal year and may meet in executive session at such other times as the Chair may designate. An executive session may be held during any regular or special meeting of the Board and shall be attended only by Directors and other persons invited by the Chair for all or any portion of the executive session, provided that Directors

who are employees of the Hospital may at the discretion of the Chair be excluded from all or any portion of an executive session.

ARTICLE IV
Officers

Section 4.01 Officers. The officers shall be a Chair, the President and CEO, a Secretary, a Treasurer, and such other officers as may from time to time be designated by the Board. The Chair, Secretary and Treasurer shall be chosen from the members of the Board and the Chair must qualify as an independent member of the Board under applicable IRS and Corporation guidelines. The offices of Chair, President and CEO and Secretary shall be held by different individuals.

Section 4.02 Election. The officers except for the President and CEO shall be chosen by the Board at its annual meeting, and shall hold office until the next annual meeting.

Section 4.03 Vacancies. Any vacancy occurring in any office shall be filled promptly by the Board at any Board meeting.

Section 4.04 Removal. Any officer may be removed with or without cause by the Member at any meeting of the board of directors of the Member, provided that the notice of the meeting specifically states that the purpose or one of the purposes of the meeting is removal of the officer.

Section 4.05 Duties. The duties of the officers shall be as follows:

a. Chair. The Chair or in the Chair's absence a Director who is the Chair's delegate or who is appointed by the Board shall preside at all meetings of the Board and shall perform other duties incident to the office or delegated by the Board or these Bylaws. The Chair shall be an ex-officio member of all committees.

b. President and CEO. The President and CEO shall be the chief executive officer of the Hospital and shall perform such other duties incident to that office or delegated by the Member, the Board or these Bylaws. The Hospital's President and CEO shall be an ex-officio member of all committees established by the Board. The Member shall appoint the President and CEO, who shall serve until his or her death, resignation, disability, or removal in accordance with these Bylaws.

c. Secretary. The Secretary shall maintain the minutes of the meetings of the Board in the corporate records; give or cause to be given all notices required by these Bylaws or by law; serve as custodian of the Board's records; make such records available to the Board upon its request; and perform all other duties incident to the office or delegated by the Board or these Bylaws.

d. Treasurer. The Treasurer shall supervise the receipt and custody of the Hospital's funds and investments; render a full account and statement of the condition of the Hospital's finances at each annual meeting of the Board and at such other times as requested by the Board; and perform other duties incident to the office or as may be delegated by the Board or these Bylaws.

e. Other Officers: The Board may from time to time appoint an Assistant Treasurer, Assistant Secretary or any such other officers as the Board may deem necessary or advisable for the efficient operation of the Corporation's affairs, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.

ARTICLE V
President and CEO

Section 5.01 Appointment. The Member shall appoint a President and CEO in accordance with these Bylaws. Other executive management staff shall be appointed by the President and CEO with the approval of the Board. The removal of the President and CEO shall be at the discretion of the Member.

Section 5.02 Qualifications for the President and CEO. The Board shall develop and recommend to the member a criteria-based process for selecting a President and CEO. Among other criteria, education and relevant experience are important qualifications. The Board shall also develop and recommend to the Member any performance objectives, evaluations and compensation programs for the President and CEO. The President and CEO shall have the knowledge and skills necessary to perform the duties required of the Hospital's senior leader.

Section 5.03 Responsibilities of the President. The President and CEO shall be the chief executive officer of the Hospital. Subject to the powers expressly reserved to the Board or the Member, the President and CEO shall, in general, supervise and control all the business and affairs of the Hospital and shall have the power to sign, acknowledge and deliver on behalf of the Hospital all deeds, agreements and other formal instruments. If no Chair or Vice Chair has been appointed or in the absence of the Chair or Vice Chair, the President and CEO shall, in general, supervise and control all of the business and affairs of the Hospital, all deeds, agreements and other formal instruments. The President and CEO shall see that all orders and resolutions of the Board and of the committees of the Board are carried into effect. In general, he or she shall perform all duties incident to the office of President and CEO and such other duties as may from time to time be assigned to the President and CEO by these Bylaws, by the Board, or by the Member.

Section 5.04 Attendance at Meetings. The President shall attend all meetings of the Board unless excused by the Chair.

ARTICLE VI
Committees

Section 6.01 Generally. The Board may establish ad hoc committees from time to time as the Board may deem necessary to carry out special find raising events or other initiatives of the Board. Committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chair of each committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Director and two (2) other individuals who may or may not be Directors. Each committee established by the Board shall be chaired by a Director of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 6.02. Committee Procedures. Notice of the date, time and location of a committee meeting shall be given to each member of such committee by mail, electronic mail, telecommunications, telephone, facsimile, delivery service or in person at least twenty-four (24) hours before the scheduled time of the meeting. Minutes shall be recorded of each meeting of the committee and submitted at the next regular meeting of the Board. The committee chair or the chair's designee shall make a full report of each meeting of the committee at the next meeting of the Board.

Section 6.03 Committees - Miscellaneous Provisions. The Chair may designate one or more officers of the Hospital to serve as ex-officio members of a committee. Each such committee shall adopt and follow rules and procedures for its organization and operation.

Section 6.04 "Medical Review Committees". Any committee or subcommittee referred to in or otherwise established in accordance with the provisions of these Bylaws, as well as the Board itself, when engaged in any peer review activity, is intended to be a "peer review board" within the meaning of that term as set forth in Rhode Island General Laws § 5-37-1, as may be amended from time to time.

ARTICLE VII
Medical Staff

Section 7.01 The Appointment and Governance of the Medical Staff. The Board shall appoint all members of the Hospital's Medical Staff, approve each member's delineated clinical privileges, and be responsible for the organization and activities of the Medical Staff. The Board shall adopt and from time to time review the bylaws and rules and regulations of the Medical Staff. The Board shall assure that the Medical Staff complies with such bylaws, rules and regulations, and shall have and regularly consult with a liaison of the Medical Staff.

Section 7.02 Recommendations of The Medical Staff Executive Committee. The Board shall accept and review, for possible adoption by the Board, specific recommendations from the Medical Staff executive committee, made in accordance with the provisions of the Medical Staff bylaws, and relating to:

a. The structure of the Medical Staff;

b. The process designed for reviewing credentials and delineating individual clinical privileges;

c. Recommendations for Medical Staff membership;

d. The organization of the Medical Staff's performance-improvement activities, as well as the process designed for conducting, evaluating and revising such activities;

e. The process by which Medical Staff membership may be terminated; and

f. The fair-hearing process.

ARTICLE VIII

Conflict of Interest; Confidentiality

Section 8.01 "Conflict of Interest" Defined; Conflict of Interest and Confidentiality Policies. The Board expects the Directors to exercise good judgment and follow high ethical standards. Individuals serving the Hospital should never permit private interests to conflict in any way with their obligations to the Hospital and to any entities affiliated with the Hospital. In addition, all Directors must honor the confidential nature of Hospital information and strive to maintain its confidentiality. To this end, from time to time the Board shall adopt a Conflict of Interest Policy and a Confidentiality Policy; such policies

shall be as effective as if they were part of these Bylaws. These policies shall be consistent with requirements of state law, the law of tax-exempt organizations, and the requirements of the Joint Commission on the Accreditation of Healthcare Organizations, and shall address, among other things: the definition of "confidential materials" and "related persons"; disclosure by Board members; the purchase of goods and services; compensation decisions; and procedures to implement and enforce these policies.

ARTICLE IX

Amendments

Section 9.01 Amendments. Except as otherwise provided by the Certificate of Incorporation, or by law, the Member may adopt, amend or repeal these Bylaws.

ARTICLE X

Miscellaneous

Section 10.01. Principal Office. The principal office of the Hospital shall be located in Westerly, Rhode Island.

Section 10.02. Waivers of Notice. Whenever any notice of time, place, purpose or any other matter, including any special notice or form of notice, is required or permitted to be given to any person by law or under the provisions of the Certificate of Incorporation or these Bylaws, or of a resolution of the Member or the Board, a written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The Secretary of the Hospital shall cause any such waiver to be filed with or entered upon the records of the Hospital or, in the case of a waiver of notice of a meeting, the records of the meeting. The attendance of any person at or participation in a meeting waives any required notice to that person of the meeting unless at the beginning of the meeting, or promptly upon the person's arrival, the person objects to the holding of the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Adopted by the Board of Directors of

Lawrence + Memorial Corporation as of November 26, 2012.

Attachment to

Articles of Amendment to

Articles of Incorporation for:

LMW Healthcare, Inc.

Section 3 shall be amended to add thereto:

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 4
Section 3.3 Number 5
Section 3.4 Election of Trustees 5
Section 3.5 Term and Term Limits 5
Section 3.6 Resignation 6
Section 3.7 Removal 6
Section 3.8 Vacancies 6
Section 3.9 Meetings 6
Section 3.10 Notice of Meetings ..... 6~~7~~
Section 3.11 Waiver of Notice 7
Section 3.12 Action by Unanimous Written Consent 7
Section 3.13 Participation by Conference Call 7
Section 3.14 Quorum and Voting 7
ARTICLE IV. OFFICERS ..... 7~~8~~
Section 4.1 Officers ..... 7~~8~~
Section 4.2 Election and Term of Office 8
Section 4.3 Powers 8
Section 4.4 Resignation and Removal 9
Section 4.5 Vacancies 9
Section 4.6 Other Officers 9
ARTICLE V. COMMITTEES 9
Section 5.1 Classification 9
Section 5.2 Appointment of Committee Members 9
Section 5.3 Committee Governance ..... 9~~10~~
Section 5.4 Standing Committees 10
Section 5.5 Other Committees 10
Section 5.6 Powers of Committees 10
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 11
ARTICLE VIII. MISCELLANEOUS PROVISIONS 11
Section 8.1 Fiscal Year 11
Section 8.2 Execution of Deeds and Contracts 11
Section 8.3 Execution of Negotiable Instruments 11
Section 8.4 Auxiliary 11

Section 8.5 Department Chairs 11
ARTICLE IX. AMENDMENTS ..... 11~~12~~
EXHIBIT A ..... 12~~13~~
EXHIBIT B ..... 14~~15~~

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 **Name**. The name of the corporation is **LMW Healthcare, Inc.** (the "Corporation"). The Corporation shall conduct business under the name "Westerly Hospital."

Section 1.2 **General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Articles of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Articles of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 **Member**. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 **Rights, Powers and Privileges**. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Rhode Island nonprofit corporation under the Rhode Island Nonprofit Corporation Act as may be amended from time to time (the "Act") and not conferred thereby or by the Articles of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Corporation and any changes thereto;

(ii) Recommend to the Member and YNHHSC the Corporation's strategic plans;

(iii) Recommend to the Member and YNHHSC the Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Corporation or any Affiliate;

(v) Recommend to the Member and YNHHSC the formation or acquisition by the Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) Recommend to the Member approval of any consent decree or settlements from state and federal authorities;

(ii) Recommend to the Member nominations for and removal of Trustees of the Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(iv) Periodically assess the Corporation's Quality Initiatives, including tracking and reporting on the Corporation's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(v) Periodically assess the Corporation's Development Plans and its Planned Giving Plans;

(vi) Periodically assess the Corporation's Community Relations Initiatives and Community Outreach Programs;

(vii) Approve actions with respect to the privileges and credentials of members of the Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the Corporation's Medical Staff Bylaws and any System guidelines established by the Member, subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(viii) Evaluate the Board's performance.

Section 3.2 **Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants**. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings

of the Board and shall not be counted in determined a quorum thereof.

Section 3.3 Number. The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such

determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 Resignation. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing.

Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 **Waiver of Notice**. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 **Action by Unanimous Written Consent**. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 **Participation by Conference Call**. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 **Quorum and Voting**. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee**. The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee**. The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review board" for the purposes set forth in R.I. Gen. Laws § 23-17-25(a), as amended from time to time.

Section 5.5 Other Committees. The Board may establish and appoint ad-hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Trustee and two (2) other individuals who may or may not be Trustees. Each such committee shall be chaired by a Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees to the full extent permitted by law.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Act related to disclosure and approval of transactions that present a conflict of interest.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 **Department Chairs**. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Articles of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate.

Other Major Activities

A. In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Exhibit 3

PERSONAL& CONFIDENTIAL

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
BOARD OF TRUSTEES
2014-2015

OFFICERS OF THE CORPORATION

Chairman of the Board	Vice Chair	President and Chief Executive Officer	Treasurer	Secretary
Joseph R. Crespo	Julie M. McNamara	Marna P. Borgstrom	James M. Staten	Vincent A. Calarco

Executive Vice President Corporate & Financial Serv.	Executive Vice President Strategy & System Development	Executive Vice President & Chief Operating Officer	Executive Vice President Bridgeport Network	Executive Vice President Greenwich Network	Executive Vice President Yale New Haven Network
James M. Staten	Gayle L. Capozzalo	Christopher O'Connor	William M. Jennings	Norman Roth	Richard D'Aquila

Senior Vice President Chief Human Resources Officer	Senior Vice President Medical Affairs & Chief Quality Officer	Senior Vice President Legal Services & General Counsel & Asst. Secretary	Senior Vice President Information Systems & CIO	Senior Vice President Payer Relations	Senior Vice President
Kevin A. Myatt	Alan S. Kliger, M.D.	William J. Aseltyne, Esq.	Daniel Barchi	William S.Gedge	Patrick McCabe Vincent Petrini Vincent Tammaro

Vice Presidents
Stephen Allegretto
Eugene J. Colucci
Michael Dimenstein
Nancy Levitt-Rosenthal
James B. Morris
Carolyn Salsgiver
John Skelly
Melissa Turner
David Wurcel

BOARD OF TRUSTEES

Marna P. Borgstrom, President & CEO, Yale-New Haven Health Services Corporation
Vincent A. Calarco, Former Chairman, President & CEO, Crompton Corporation
Joseph R. Crespo, Chairman, EQV Advisors, LLC.
Mary C. Farrell, Financial Advisor
Carlton L. Highsmith, Vice Chairman, SPG Paperworks, Inc.
Thomas B. Ketchum, Retired Vice Chairman, JP Morgan Chase & Co.
John L. Lahey, President, Quinnipiac University
Marvin K. Lender, Retired Chairman, Baldwin St. Management, LLC
Newman M. Marsilius, III – President & CEO, The PMT Group
Julia M. McNamara, President - Albertus Magnus College
Barbara B. Miller, Community Volunteer
Benjamin Polak, Provost – Yale University
Meredith B. Reuben, CEO – EPB Supply Solutions
Peter Salovey, President – Yale University
Elliot J. Sussman, M.D. – Independent Consultant
James P. Torgerson, President & CEO – UIL Holdings Corporation
John L. Townsend, III, Managing Partner & COO, Tiger Management, LLC

Mailing address for all of the above: Yale-New Haven Health Services Corporation, 789 Howard Avenue, New Haven, CT 06519

DOHC0002

Exhibit 6(A)

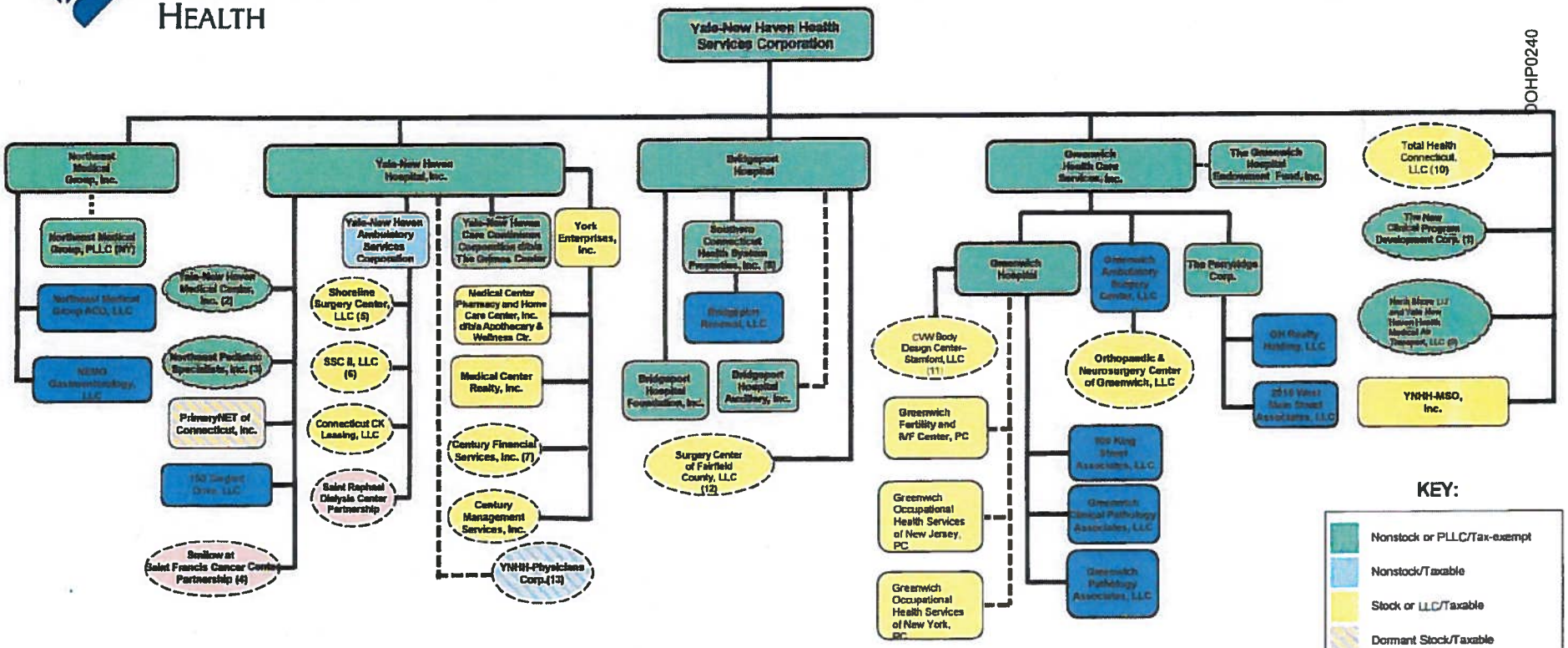
PRE-CLOSING

YALE NEW HAVEN HEALTH

Yale New Haven Health System

Last Updated 10/21/2015

DOHP0240



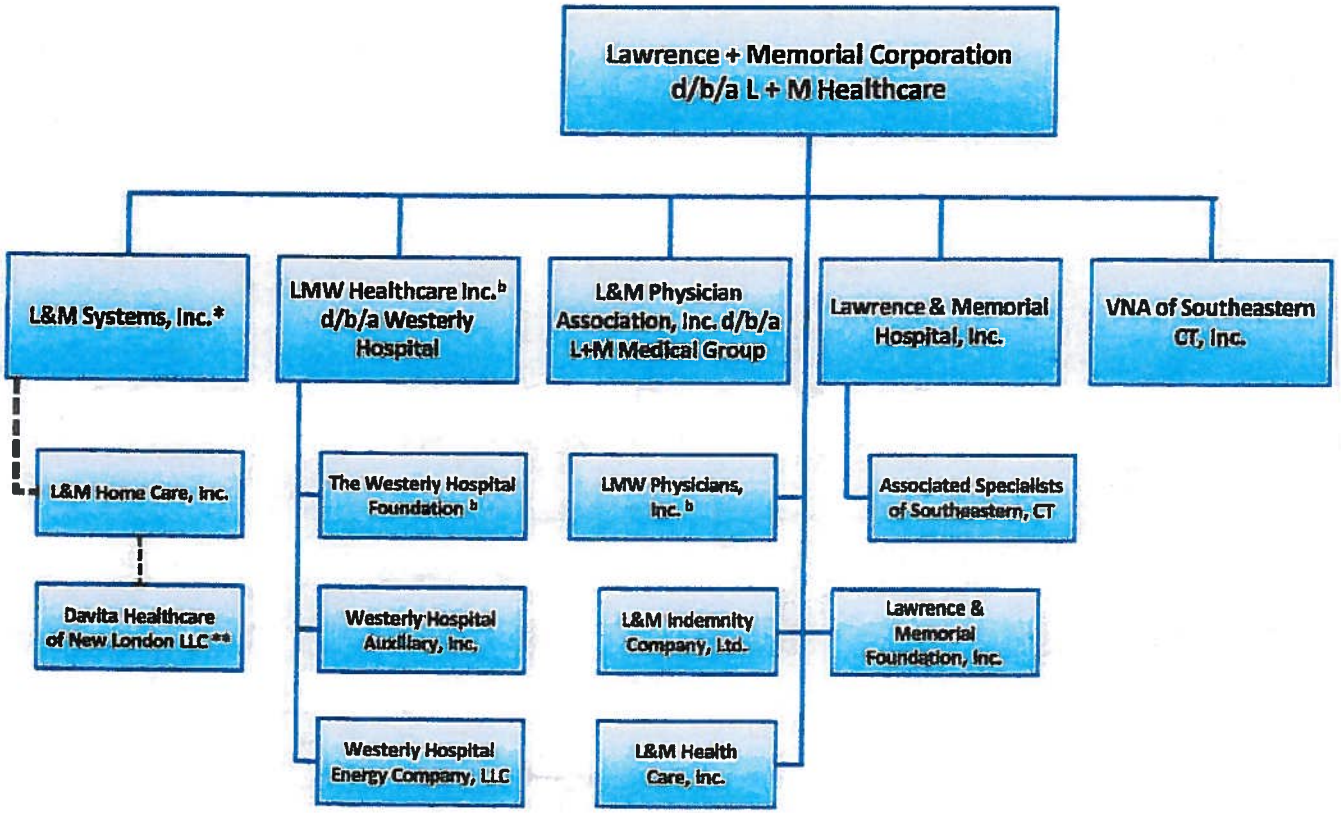
KEY:

- Nonstock or PLLC/Tax-exempt
- Nonstock/Taxable
- Stock or LLC/Taxable
- Dormant Stock/Taxable
- Limited Liability Company (Disregarded Entity)
- General Partnerships
- indicates partial control and/or ownership
- indicates authority to elect directors or other indirect relationships

NOTES:

1. Yale University is an equal member (with Yale-New Haven Health Services Corporation) in The New Clinical Program Development Corporation.
2. Yale University is an equal member (with Yale-New Haven Hospital) of Yale-New Haven Medical Center, Inc.
3. Connecticut Children's Medical Center is an equal member (with Yale-New Haven Hospital) in Northeast Pediatric Specialists, Inc.
4. Partnership between YNHH (50%) and Saint Francis Hospital and Medical Center (SFHMC(50%)) related to the joint operation of SFHMC's outpatient medical oncology and hematology program located at SFHMC's main campus)
5. Joint Venture between Yale-New Haven Ambulatory Services Corporation (51%) and CGC Endoscopy, LLC. (49%) (Shoreline Surgery Center).
6. Joint Venture between Yale-New Haven Ambulatory Services Corporation (51%) and Constitution Surgery Centers, LLC (15%) and Shoreline Physician Holding Company, LLC (34%) (SSC II, LLC).
7. 47.6 % of the stock of Century Financial Services, Inc. is owned by York Enterprises, Inc. Another 47.6% is owned by Bridgeport Hospital. The remaining stock is held by other hospitals or affiliates thereof.
8. This organization is exempt from Federal Income Tax under IRC Section 501(c)(2).
9. Joint Venture between NorthShore - LIJ (90%) and Yale-New Haven Health Services Corporation (10%).
10. Joint Venture between St. Francis Healthcare Partners, Inc. (SFHP) and Yale-New Haven Health Services Corporation (YNHHS) – 60% YNHHS and 40% SFHP
11. Joint Venture between CVW Body Design Center – Stamford, LLC (85%) and Greenwich Hospital (15%).
12. Joint Venture between Bridgeport Hospital (10%) with the remainder (90%) held by physicians and a management company.
13. Yale-New Haven Community Medical Group, Inc. is also a member of YNHH-Physicians Corp.

L+M Healthcare



Notes:
** - for profit*
a – Joint Venture with Bockus Dialysis Corporation and Davita
b – Rhode Island non-profit companies
(v:20July2015 Karen Santacrocc)

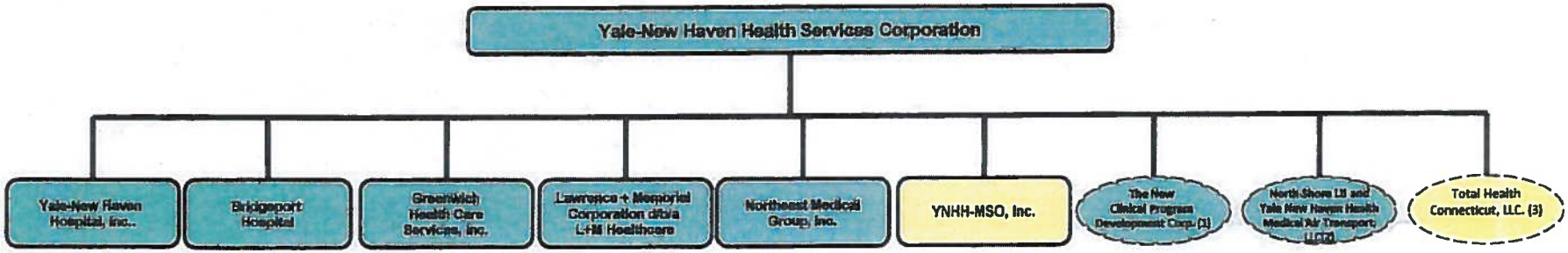
POST-CLOSING

(Does not contain non-operational entities)

Draft: 9/21/2015
To be Effective as of Closing
Of YNHHS – L+M Transaction

DOHP0243

YALE NEW HAVEN HEALTH SYSTEM



Notes:

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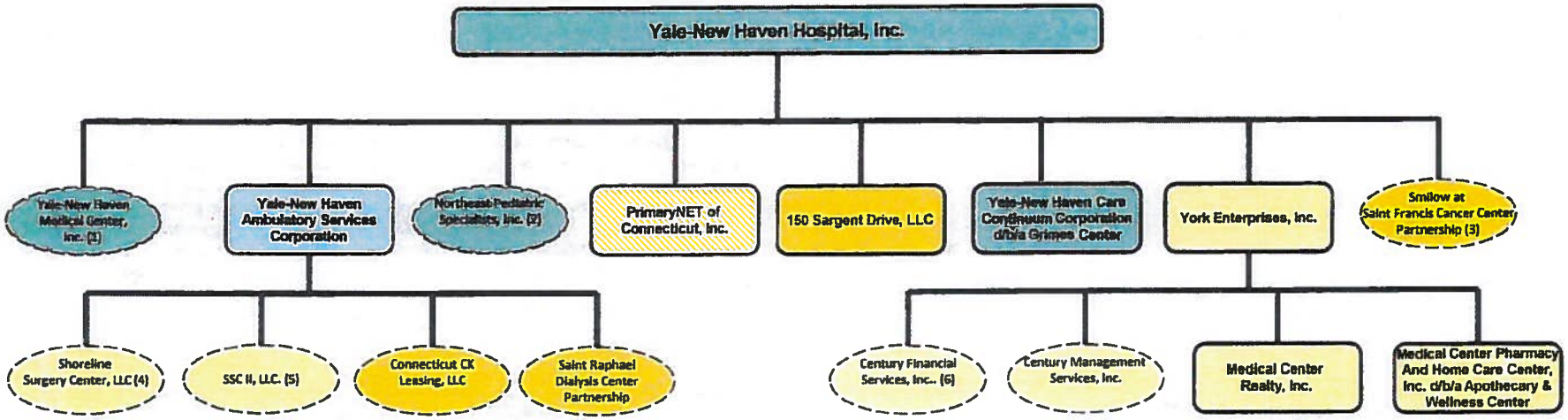
2. Joint Venture between NorthShore - LIJ (90%) and Yale-New Haven Health Services Corporation (10%).
3. Joint Venture between St. Francis Healthcare Partners, Inc. (SFHP) and Yale-New Haven Health Services Corporation (YNHHS) – 60% YNHHS and 40% SFHP.

YNHH Delivery Network



Notes:

1. Yale University is an equal member (with Yale-New Haven Hospital) of Yale-New Haven Medical Center, Inc.
2. Connecticut Children's Medical Center is an equal member (with Yale-New Haven Hospital) in Northeast Pediatric Specialists, Inc.
3. Partnership between YNHH (50%) and Saint Francis Hospital and Medical Center (SFHMC(50%)) related to the joint operation of SFHMC's outpatient medical oncology and hematology program located at SFHMC's main campus)
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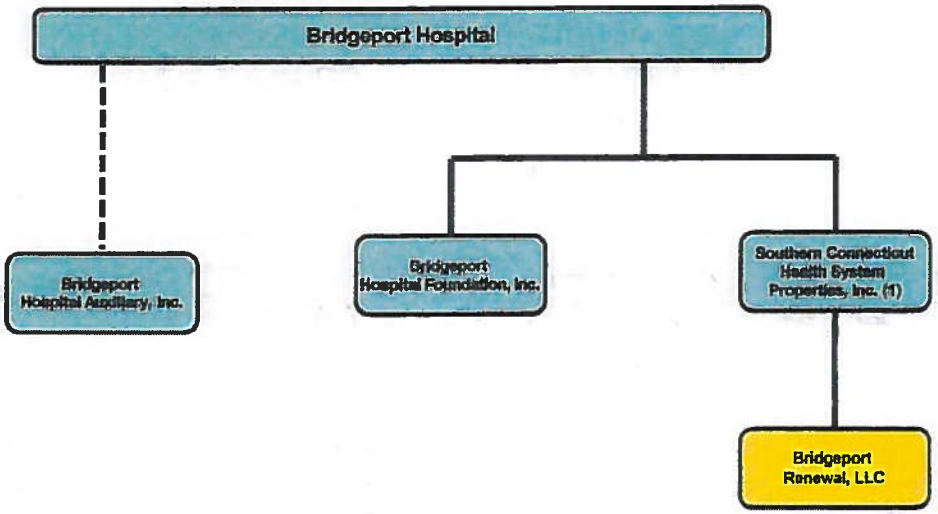
5. Joint Venture between Yale-New Haven Ambulatory Services Corporation (51%) and Constitution Surgery Centers, LLC (15%) and Shoreline Physician Holding Company, LLC (34%) (SSC II, LLC).
6. Century Financial Services, Inc. is owned by York Enterprises, Inc. (47.6%), Bridgeport Hospital (47.6%) with the remaining stock (4.8%) is held by other hospitals or affiliates thereof.

BH Delivery Network

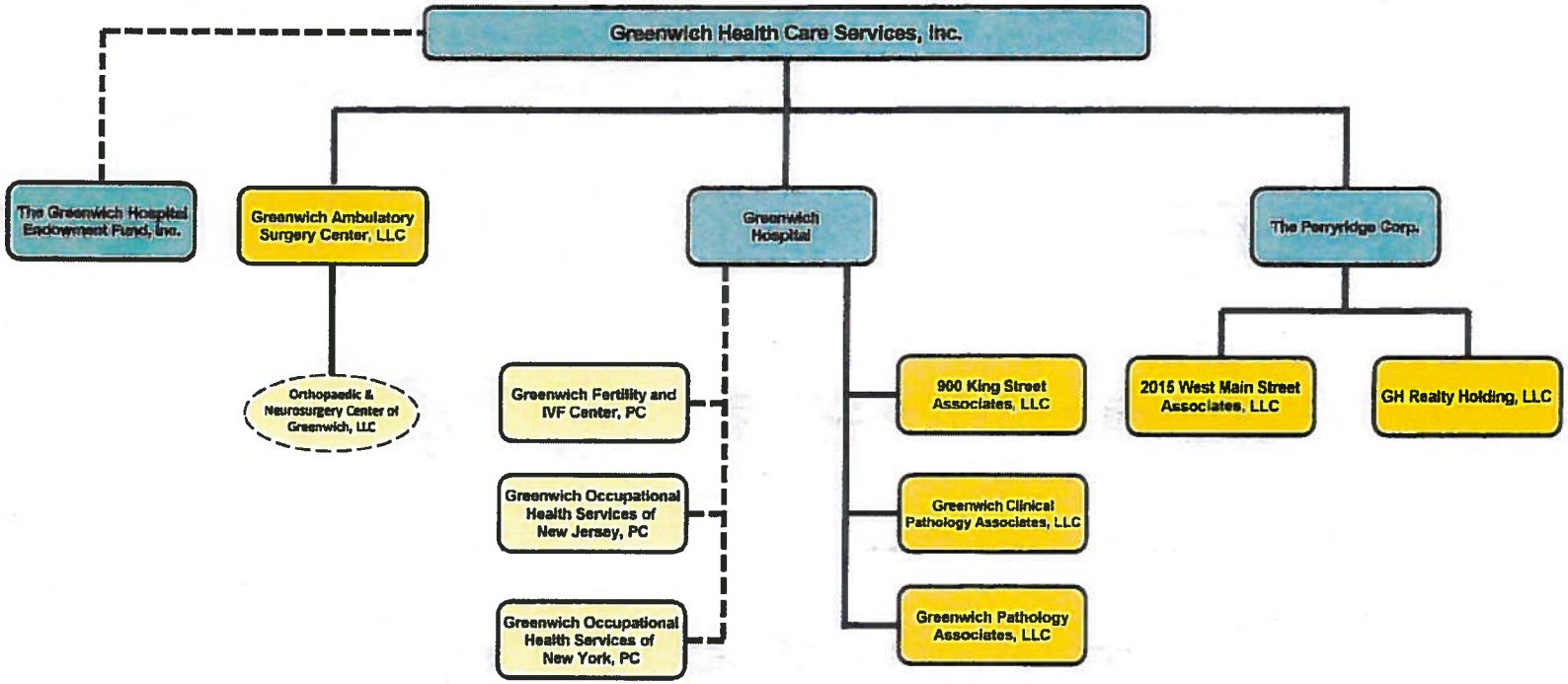


Notes:

1. This organization is exempt from Federal Income Tax under IRC Section 501(c)(2).

DOHP0245

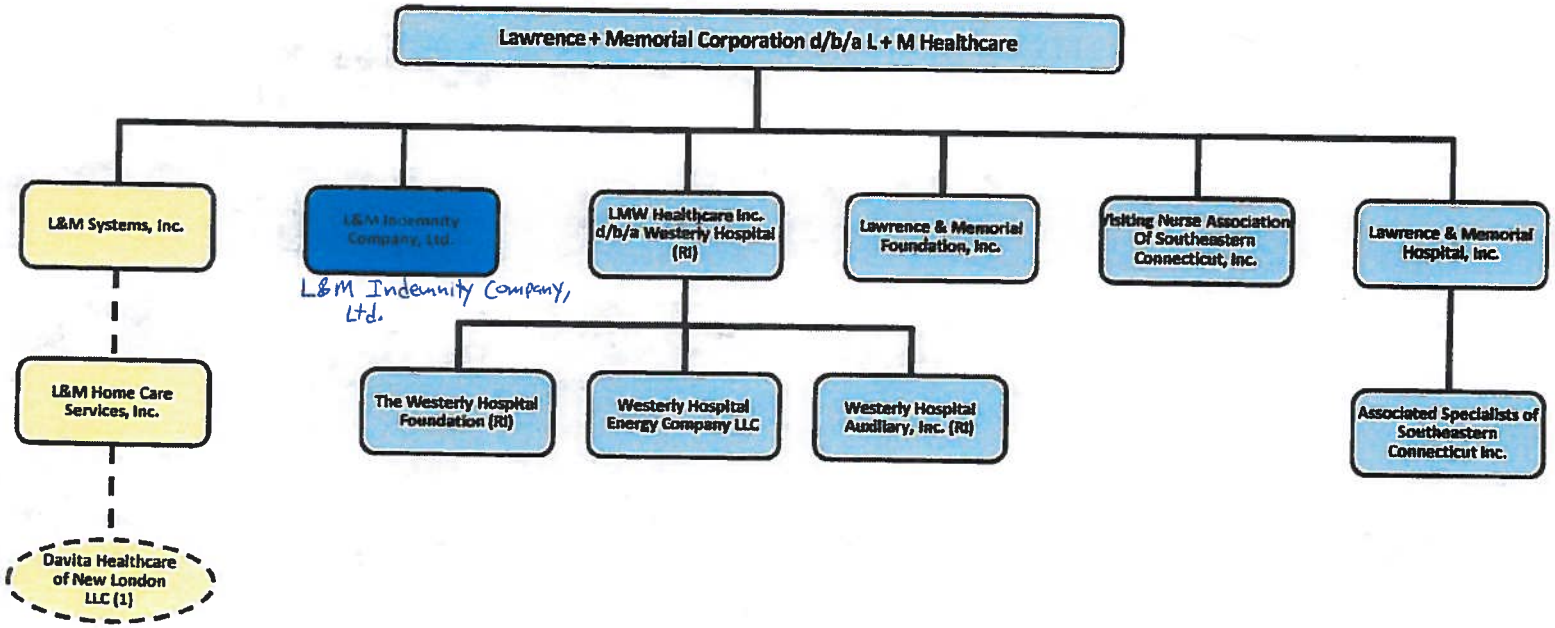
Greenwich Delivery Network



Post-Closing

DOHP0247

L + M Delivery Network

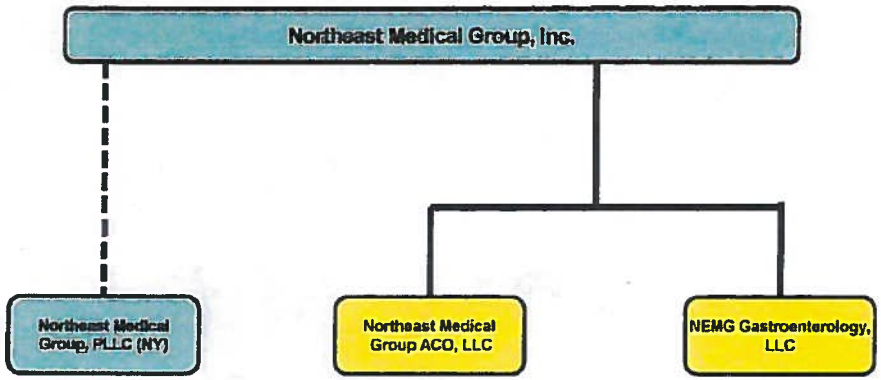


L&M Indemnity Company, Ltd.

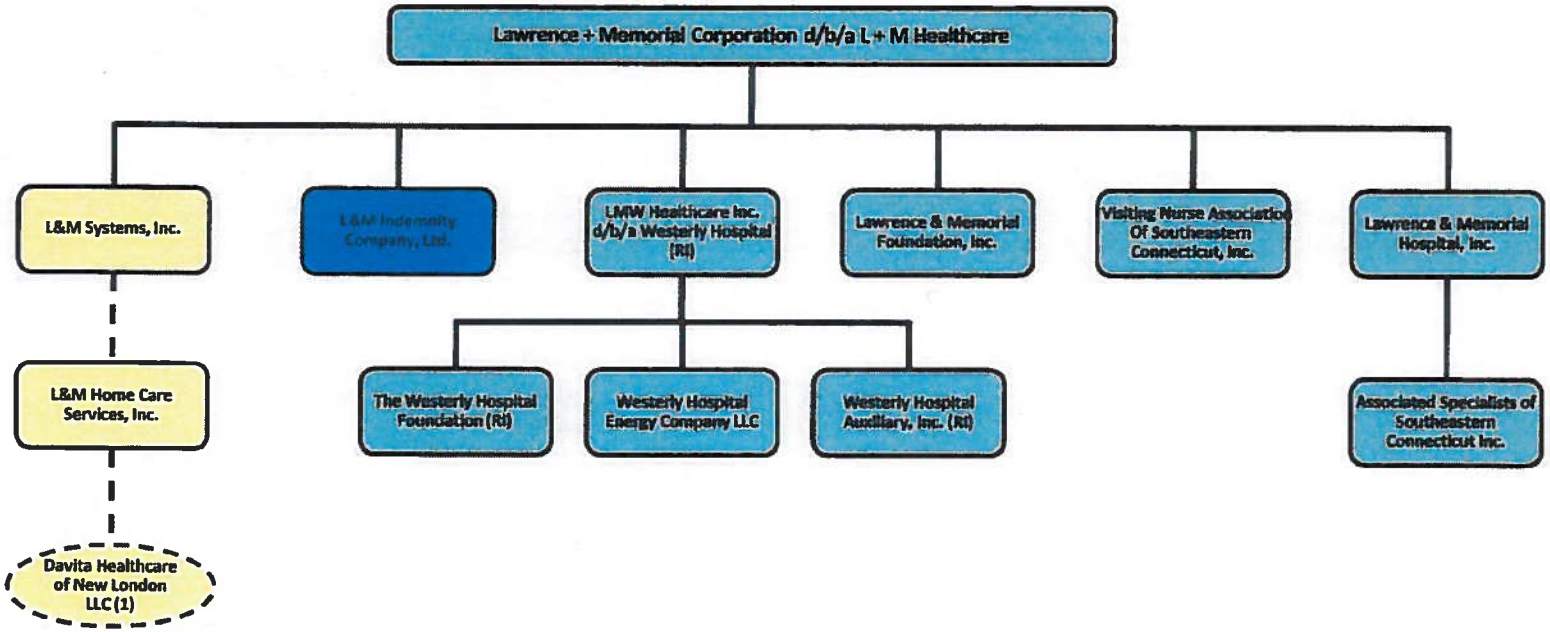
Notes:

1. Joint Venture between Backus Dialysis Corporation, DaVita and Lawrence + Memorial Corporation.

NEMG Delivery Network



L + M Delivery Network



Notes:

1. **Joint Venture between Backus Dialysis Corporation, DaVita and Lawrence + Memorial Corporation.**

Color/Outline Key

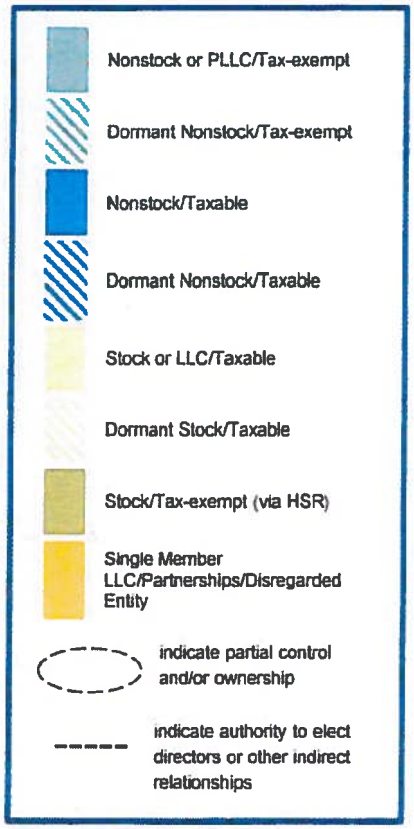


Exhibit 8(A)

Classification:	ADMINISTRATIVE POLICIES & PROCEDURES
Yale New Haven Health System: Yale-New Haven Hospital/Bridgeport Hospital/Greenwich Hospital/Northeast Medical Group	
Title: Conflicts of Interest	
Date Originated: 4/1/98	**Approved by:** System Compliance Committee
Date Reviewed: 6/16/13	**Date Revised:** 6/16/13, 02/18/14, 09/09/14
Distribution: Management	**Policy Type:** Type I
Supersedes: Yale New Haven Health I.1 & I.A.11/Type 1: Business Conduct/Ethics YNH Network Corporation Business Conduct/Conflict of Interest Yale-New Haven Hospital NC:B-3: Business Conduct/Conflict of Interest Bridgeport Hospital B:6: Conflict of Interest Greenwich Hospital A-D 17: Conflict of Interest	

PURPOSE

The purpose of this Policy is to ensure that the business activities are conducted free from the influence of conflicts of interest (COI). A conflict of interest may exist when a "Covered Individual" (as defined below) is in a position to influence the business or other decisions of the Hospital in ways that could lead or appear to lead to the personal gain or advantage of such person, his or her "Family" (as defined below) or "Outside Affiliates" (as defined below).

APPLICABILITY

This policy shall apply to the Yale New Haven Health System (YNHHS), its parent and subsidiary corporations, its Delivery Network hospitals and each of their respective parent and subsidiary corporations, and each affiliated entity owned by or under common ownership and control with any of the foregoing ('The Hospital').

DEFINITIONS

Conflict of Interest (COI): A potential Conflict of Interest arises as a result of situations or circumstances whenever an individual's interests, such as professional obligations or judgment owed to the YNHHS and its constituencies are compromised by, or could be perceived as being compromised by, his or her leadership roles, secondary commitments or financial interests.

Board Representatives: A Board Representative refers to any Trustee/Director or Board Committee Member, as defined below within the definition of "Covered Individual."

Covered Individual: A Covered Individual refers to any of the following individuals (each of which is further defined below): Trustee/Director, Board Committee Member, Officer, Key Executive, Medical Staff Members, and Designated Employees. If an individual is a Covered

Individual with respect to any Hospital Entity, he/she is deemed a Covered Individual with respect to the Hospital as a whole. On an annual basis each Hospital shall identify those individuals who shall be designated as Covered Individuals.

- "Trustees/Directors" are voting members of the Hospital's Board of Trustees/Directors.
- "Board Committee Members" are voting members, of any Committee, of the Hospital's Board of Trustees or Board of Directors.
- "Officers" are elected or appointed officers of the Hospital.
- "Medical Staff Members" are all physicians and other licensed independent practitioners who have been appointed to the Hospital's Medical Staff through the Hospital's usual credentialing process.
- "Key Executives" are persons designated by the Chief Executive Officer of the Hospital, or his/her delegates, to have significant roles in the management or administration of the business of the Hospital.
- "Designated Employees" are those employees who are in a position to influence or make decisions of the Hospital and who have been designated as such by the Vice President of the Office of Privacy & Corporate Compliance. Designated Employees may include, but shall not be limited to, Managers, certain Physicians, staff in the departments of Procurement, Office of Privacy & Corporate Compliance (OPCC), Legal & Risk Services Department (LRSD), Center for Emergency Preparedness and Healthcare Solutions (CEPHS), Supply Chain, as well as other selected individuals system-wide.

  "Physicians" who are Covered Individuals in the category of Designated Employees may include those who (i) serve as clinical department directors, medical directors, chiefs, associate chiefs and/or (ii) serve on a clinical evaluation, pharmacy and therapeutics, or selection committee in support of the Hospital's supply chain management function.

Family: Family refers to a Covered Individual's spouse, parents, children, siblings, mothers- and fathers-in-law, close relatives, and any other person that resides in the same household.

Financial Interest: A financial interest does not include any; income, salary or remuneration in cash or in kind, benefits, gifts, honoraria, travel expense, goods or services received in the aggregate during a calendar year that does not exceed $359 (2011, plus adjustments for current years; or not to exceed Stark Law non-monetary compensation rate for the current year). Aggregate investments include whether in the form of debt, stock or other equity ownership, options or warrants to purchase stock, securities or similar with a value exceeding $10,000 or representing a five (5%) percent or greater interest in any entity, enterprise or trust; royalties on any patent or other intellectual property interests with a value exceeding $10,000, unless paid by YNHHS Financial Interest (excludes mutual funds or other equity funds in which the day-to-day control of investments is held by a person not subject to the YNHHS COI policy).

Outside Affiliate *(entity you are affiliated with)*: An Outside Affiliate refers to any person, corporation, partnership, or other organization with respect to which the Covered Individual or any member of his/her Family (1) is a director, trustee, officer, employee, member, or partner; or (2) has a significant financial or other interest.

Primary Commitment: The time, energy and loyalty that Covered Individuals are required to dedicate to the YNHHS.

Secondary Commitment: Activities that are not part of the Primary Commitment, which include but are not limited to employment, consulting or participation in outside businesses or organizations. The time, energy and loyalty Covered Individuals dedicate to outside Leadership Roles and other compensated or non-compensated extramural activities. Secondary Commitments do not include personal activities conducted on holidays, vacations and weekends.

Vendor: Any individual, business, partnership, corporation or other entity that sells or conveys goods/services to the YNHHS, or for the purchase/sale of goods/ services to, for, by YNHHS.

POLICY

Covered Individuals are required to ensure compliance with this policy and requirements for prior approval or prohibited activities included in a written contract between YNHHS, or affiliated entity, with the Covered Individual. It is a mandatory component of annual performance reviews to complete the COI process for covered individuals. Covered individuals must also update their COI disclosure form at the time any changes occur.

It is YNHHS policy that we will not conduct business with physician owned distributorships.

PROCEDURE

Disclosures of Trustees/Directors, Board Committee Members and Officers:

Upon appointment and on an annual basis thereafter the President/CEO for YNHHS, or their designee and for each Delivery Network will distribute a Disclosure Survey to Officers, Directors and members of Board-level Committees. The Disclosure Survey that is completed by Officers, Directors and members of Board-level Committees is designed to gather the information required by federal tax law for the preparation of the Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax, disclosures of COI, and the information required by the Centers for Medicare and Medicaid Services for provider enrollment.

Disclosure Survey responses (upon appointment and annual) will be returned to the Legal and Risk Services Department (LRSD) and Office of Privacy and Corporate Compliance (OPCC) for initial analysis. The LRSD will then segregate Survey responses by System Entity, and will forward the responses to the President/CEO of the System Entity for which the individual serves as an officer or on whose Board or Board Committee the individual sits.

Interim Disclosure Statements will be returned directly to the President of the System Entity for which the individual serves as an officer or on whose Board or Board Committee the disclosing individual sits. The President/CEO will provide a summary of reported potential conflicts for review by the board of the relevant System Entity. The President will inform the Vice President of the OPCC of actions taken to manage or resolve a potential for COI. The President/CEO, or their designee, will permanently retain all documents related to the submitted Disclosure Survey in accordance with the YNHHS Document Retention and Disposition Policy.

Note: An employee who is also an Officer, Board Member or Board-level Committee member of YNHHS or a Delivery Network will follow the process for Board Member Disclosures and will not be required to complete a second Conflicts of Interest Disclosure Statement within Employee Self Service (ESS) unless directed otherwise. The Office of President will instruct Officers, Board Members and Board Committee members who are also employees to complete the Disclosure Survey in their capacity as both an employee and Officer or Board/Board Committee Member for YNHHS and its Delivery Networks.

Disclosures of Medical Staff Members:

Medical Staff Members who do not fall into another category of Covered Individuals pursuant to this Policy (and thus who are not subject to the Procedures described above or below) are obligated to complete the YNHHS Conflicts of Interest Disclosure Statement (located on the YNHHS intranet and available by request in the Medical Staff Office at such time as he/she becomes aware of an actual or potential Conflict of Interest as defined in this Policy. Completed Disclosure Statements must be promptly returned by the Medical Staff Member to the Medical Staff Office, which will review all disclosures and, together with the Chief Medical Officer and the Legal & Risk Services Department, will determine whether an action plan is appropriate consistent with the Procedures described in Procedure #3 below.

In addition, all Medical Staff Members are required to disclose Conflicts of Interest when requesting the purchase of any new product or drug to be purchased by YNHHS or any YNHHS affiliated Hospital on the *New Product Request Form* or the *Request for Admission of Drug to Hospital Formulary Form*.

Without limiting the foregoing, individuals who are Medical Staff Members of Yale-New Haven Hospital shall be required to respond to a series of Conflict of Interest questions as part of each individual's application for appointment and re-appointment to the Yale-New Haven Hospital Medical Staff. All such disclosures shall be reviewed by a representative from the Yale-New Haven Hospital Department of Physician Services, Legal & Risk Services and Office of the Chief Medical Officer. Potential conflicts are communicated to appropriate representatives from the Pharmacy & Therapeutics Committee and Operating Room Formulary Committee.

Disclosures of Key Executives and Designated Employees:

On an annual basis, the OPCC will distribute information and instructions to YNHHS Covered Individuals of their obligation to complete the annual Conflicts of Interest Disclosure Statement.

Managers will be notified of employee COIs, approve or request assistance with an action plan.

OPCC will review disclosures and share a summary with the COI Review Committee and any specific disclosers which require action plans. The Committee is composed of at least three (3) members and will be responsible for reviewing disclosures made by Covered Individuals (Non-Officers and Non-Board Members). Committee members collectively should have knowledge in financial investments, legal issues, ethics, and human subject research. The COI Committee is generally comprised of the VP of the OPCC, DN Compliance & Privacy Officer, a representative of the LRSD, as needed, the VP of Supply Chain Management (SCM) of the YNHHS, or their designee; or SVP Medical Affairs for the Delivery Network (as appropriate).

The COI Committee may ask that the Covered Individual provide additional information or discuss the matter with the COI Committee in person. The COI Committee will examine disclosed conflicts to assess the degree of risk, and the Covered Individual's ability to manage, reduce or eliminate any identified conflicts. The primary methods of controlling or managing, reducing or eliminating conflicts shall include:

a) Modifying the YNHHS employment responsibilities of the conflicted member(s);
b) Reducing or eliminating the conflict by removing, reducing or altering the Leadership Role, Secondary Commitment or Financial Interest (e.g., partial or full divestiture or sequestration of one or more Financial Interests, reduction of time spent in furtherance of one or more Leadership Roles or Secondary Commitment).
c) A written and agreed upon action plan to minimize the risk and ensure that all appropriate parties are informed.

In the event a Covered Individual disagrees with the COI Committee's decision related to the primary methods of controlling or managing, reducing or eliminating the conflict; the Covered Individual may request a meeting with the YNHHS EVP Strategy & System Development and the YNHHS SVP Human Resources to review the COI Committees decision. The YNHHS EVP Strategy & System Development and the YNHHS SVP Human Resources decisions are final.

Disclosures reviewed by the COI Committee that were determined to require either management or elimination of Conflicts of Commitment or Interest will be compiled and the conflict management actions taken in response will be reported to the YNHHS Corporate Compliance Committee, or the Compliance Committee of the affected Delivery Network.

The OPCC will retain documents related to the COI Disclosure Statement submitted by Covered Individuals in accordance with the YNHHS Document Retention and Disposition Policy.

Sample Relationships and Transactions which Require Disclosures:

Service as Board Member, Officer or Employee of a Competing Healthcare Institution: Covered Individuals shall not accept any position as a trustee, officer, or employee of, or paid consultant to, any healthcare system or institution that is in substantial competition with the Delivery Network without the approval of the Chief Executive Officer of the Delivery Network with which such Covered Individual is associated or such Delivery Network Compliance Committee.

Gifts and Entertainment: No Covered Individual shall accept gifts or entertainment from persons or entities that conduct business with the Delivery Network if the gifts or entertainment is for the purpose or perceived to influence business transactions with the Delivery Network. Gifts of cash or cash equivalents are never permissible. This policy is not intended to prohibit the exchange of social amenities or business courtesies that are consistent with good taste and reasonable judgment. Any acceptance of gifts or entertainment must be in accordance with the YNHHS Gifts and Gratuities Policy, and the YNHHS Gifts and Business Courtesies from vendors guidelines. Question as to whether a particular gift or entertainment would be appropriate may be directed to the VP of the Office of Privacy & Corporate Compliance.

Confidential and Inside Information: All Covered Individuals shall refrain from transmitting any knowledge, consideration, decision, or any other information that might be prejudicial to the interests of the Delivery Network to any person other than in connection with the Covered Individual's discharge of his/her responsibilities on behalf of the Delivery Network. The governing principle is that no material confidential information pertaining to the Delivery Network or its patients may be used for a Covered Individual's own or his/her Family's benefit nor shall a Covered Individual disclose such information to others for his/her/their personal use.

Use of Delivery Network Assets: Delivery Network credit purchasing power shall not be used to purchase goods and/or services for personal benefit or non-Delivery Network activities. Delivery Network facilities may be used only for Delivery Network related purposes, which may include community benefit activities, and educational functions.

Conflict of Commitment: Covered Individuals employed by the Delivery Network are expected to devote their primary professional loyalty, time, and energy to, as applicable, teaching, research, patient care, and service on behalf of or to the Delivery Network. Outside activities must be arranged so as not to interfere with the primacy of these commitments, and require notification to the appropriate manager and disclosed on the COI Disclosure form.

Paid Honoraria and Consultancy: Covered Individuals who are employees of the YNHHS are expected to obtain the prior approval of their manager in advance of receiving paid honoraria or consultancy and must disclose any such arrangements on the Annual Conflicts Disclosure form. When considering requests for approval of paid honoraria and consultancy for employed Covered Individuals, managers shall consider the risk of interference with the primacy of an employee's commitments to the Delivery Network, any potential for conflicts of interest, as well as any potential conflict with the Delivery Network Mission or Code of Conduct.

Disclosure of Individual Interest Prior to Approval of Transaction: A Covered Individual must promptly disclose his/her interest in, or connection with, a proposed transaction or other matter being presented for consideration or approval to the Delivery Network if the transaction or matter is of the type that would require disclosure on the Annual Disclosure form. The Covered Individual's disclosure and non-participation shall be recorded.

Audit: The OPCC may perform audits as needed.

Violations of the Conflict of Interest Policy: Appropriate and equitable corrective action will be taken concerning any activities considered to involve an inappropriate conflict of interest.

Questions: Any questions about this Policy or the completion of Annual Disclosure Statements may be directed to the Office of Privacy & Corporate Compliance at 203-688-8416.

LAWRENCE +MEMORIAL

Title: Conflict of Interest	Reference Number:
File Location: Administration	Issuing Department: Administration
Latest Review/Revision Date: 9/13	Original Date: 3/07
Endorsing Departments/Committees/Dates:	
Authorizing Signature/Title/Date: Bruce D. Cummings President/CEO	

ARTICLE I
GENERAL

1.1 Purpose. To facilitate the proper identification and management of conflicts of interest in order to protect L+M's interest and engender confidence in the ethical conduct and decision-making process at L+M.

1.2 Background. This Policy defines the principles governing the identification and resolution of conflicts of interest that involve L+M's Directors or Senior Management Employees. The principles of good corporate governance as well as state and federal law require that L+M's Directors and Senior Management Employees discharge their respective duties to L+M in good faith, consistent with their duties of loyalty and care to L+M, and guided solely by the best interests of L+M and its operations, programs, purposes and patients. The duties of loyalty and care require that their allegiance be uncompromised by outside interests.

Consequently, Directors and Senior Management Employees may not use their position with L+M for personal profit, gain or other personal advantage, participate in any decision that might affect any personal interest of the individual, or have any personal interest the promotion of which is fundamentally inconsistent with the best interests of L+M.

1.3 Applicable Laws. This Policy supplements but does not replace federal and state laws governing conflicts of interest that apply to L+M. It is L+M's responsibility to retain counsel/advisors to inform it of these laws and regulations and of any changes. Directors and Senior Management Employees are expected to fulfill their responsibilities and conduct their activities on L+M's behalf within the letter, spirit, and intent of applicable laws and regulations.

ARTICLE II
UNDERLYING DEFINITIONS

2.1 L+M. "L+M" means Lawrence + Memorial Corporation (d/b/a L+M Healthcare, hereinafter referred to as L+M Healthcare) and all Affiliates.

2.2 Affiliates. "Affiliates" means any tax-exempt entity that is controlled by, under common control with and/or affiliated with L+M Healthcare including, without limitation: Lawrence + Memorial Hospital, Westerly Hospital, L+M Medical Group, Associated Specialists of Southeastern Connecticut and Visiting Nurse Association of Southeastern Connecticut.

2.3 Board. "Board" means the Board of Directors (and any committee thereof which is acting in lieu of the Board) of L+M Healthcare or any Affiliate, as applicable and relevant to the respective Director and/or Senior Management Employee.

2.4 Chair. "Chair" means the chairperson of the relevant and applicable Board.

2.4 Director. "Director" means a Director on the relevant and applicable Board. "Director" expressly includes ex-officio directors who serve on a Board.

2.5 Senior Management Employee. "Senior Management Employee" means:

- Any principal officers which include, the president and chief executive officer ("CEO"), chief operating officer, chief financial officer, vice presidents, and employees serving as an officer of any Affiliate. Any member of a committee with Board delegated powers;
- Any employee of L+M Healthcare or an Affiliate meeting the definition of Key Employees as defined for purposes of reporting on any Form 990 filed by L+M; or
- Other management personnel so designated from time-to-time by the CEO of L+M Healthcare or an Affiliate.

2.6 Key Person. "Key Person" means each Director or Senior Management Employee.

2.7 Financial Interest. A Key Person has a Financial Interest if the person has, directly or indirectly, through business, investment or Related Person:

- An ownership or investment interest in any entity with which L+M has a transaction or arrangement;
- An ownership or investment interest in any entity that competes with L+M or that may be affected in a non-incidental manner by L+M's strategic or business decision-making;
- A compensation arrangement with L+M or with any entity or individual with which L+M has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which L+M currently has or is negotiating a transaction or arrangement.

Compensation includes direct and indirect payments or benefits and also includes gifts, entertainment, or favors except those that are of de minimis value or insubstantial in nature. Gifts or entertainment from the same source with a combined value of more than $50 annually are not de minimis or insubstantial but constitute compensation for purposes of this Policy. Attending one or more conferences the expenses of which L+M pays in accordance with L+M's applicable policy does not constitute the receipt of compensation for purposes of this Policy.

Any ownership or investment interest in a privately-held business or entity without regard to its size or value is an ownership or investment interest for purposes of this Policy. An ownership or investment interest in a publicly-traded corporation of greater than 1% of the corporation's market capitalization is considered an ownership or investment interest for purposes of this Policy.

A Key Person who has a Financial Interest with respect to any entity in the L+M healthcare system, has a Financial Interest with respect to all entities in the healthcare system.

2.8 Nonfinancial Interest. A Key Person has a Nonfinancial Interest if the person, directly or indirectly, personally or through a Related Person:

- is an uncompensated director, officer, manager or member of, or participant in, any other entity, organization, or business that does or seeks to do business with or competes with L+M.
- is an uncompensated director, officer, manager, or member of, or participant in, any other entity or business that takes action, or advocates for a position, adverse to the interests of L+M.

A Key Person who has a Nonfinancial Interest with respect to any entity in the L+M healthcare system, has a Nonfinancial Interest with respect to all entities in the healthcare system.

2.9 Related Person. Related Person means, as to any Key Person, any of the following:

- a member of the Key Person's immediate family, including spouse or domestic partner, parent, natural or adopted child, grandchild, great grandchild and brother or sister (whether whole or half-blood);
- the spouse or domestic partner of a member of the Key Person's immediate family;
- an individual who shares the Key Person's home;
- an estate or trust in which the Key Person or any Related Person is a beneficiary; or
- an individual or entity for which the Key Person or a Related Person serves as a fiduciary or is financially responsible.

2.10 Confidential Information. Confidential information is information concerning:

- the business and affairs of L+M (which includes historical financial statements, financial projections and budgets, and capital spending budgets and plans);

- past, present or specifically identified prospective sources of financial support for L+M;
- past, present or specifically identified prospective recipients of financial support from L+M; or
- pending or threatened litigation involving L+M.

ARTICLE III
DEFINITION OF DUTY OF CARE, DUTY OF LOYALTY AND CONFLICT OF INTEREST GENERALLY

3.1 Duty of Care. Key Persons owe a duty of care to L+M and shall conduct the affairs of L+M in good faith, acting honestly and lawfully. Key Persons shall be diligent in their duties to L+M and shall act reasonably, remain informed, and exercise independent judgment. At all times, Key Persons shall act in the best interests of L+M.

3.2 Duty of Loyalty. Key Persons owe a duty of loyalty to L+M and shall not use their position with L+M for personal gain. The Key Person's duty of loyalty applies equally whether the Key Person is engaged in L+M's activities or outside activities. The Key Person's duty of loyalty includes, but is not limited to, the Key Person's obligation to protect the confidences of L+M and to refrain from engaging in transactions that would create a conflict of interest or the appearance of a conflict of interest.

3.2.1 Confidentiality. In the course of carrying out their duties and responsibilities, Key Persons will be privy to information that was created, discovered, acquired or developed by or disclosed to L+M and, as such, is considered to be confidential and proprietary in nature. This information includes, but is not limited to, research and development data, business plans, acquisition plans or proposals, strategic plans, personnel data, financial statements, lists and information about gifts, donors and accounts. Key Persons shall recognize that they have a legal and ethical duty not to disclose this information, shall hold all such information in strictest confidence and shall agree not to release confidential and proprietary information to anyone outside of L+M except for authorized purposes or unless required by law.

3.2.2 Conflict of Interests. A conflict of interest generally arises when a Key Person has a Financial or Nonfinancial Interest, and (1) the promotion of that interest is, or might in the foreseeable future be, inconsistent with L+M's best interests, or (2) the Key Person's Financial or Nonfinancial Interest will, or might in the foreseeable future, benefit from action or inaction by L+M. Whether a conflict of interest exists in a given situation depends on the particular facts and circumstances presented. The determination whether a conflict exists in a particular situation will be made pursuant to Article V of this Policy.

ARTICLE IV
DISCLOSURE

4.1 Duty to Disclose. Each Key Person shall disclose the existence and nature of any personal or outside interest that may affect or be affected by L+M's operations or by decisions that the Key Person makes on L+M's behalf. More specifically, each Key Person shall disclose each Financial and Nonfinancial Interest. The interests disclosed need not be actual or even potential conflicts of interest but nevertheless should be disclosed in the event these interests become actual or potential conflicts of interest and/or have or may have a material impact on L+M's plans and operations.

4.2 Annual Disclosure. By January 1 of each year, or such other time annually as may be established by the Board, every Key Person shall complete the required Questionnaire attached hereto as Exhibit A and submit it to the applicable CEO. By signing the Questionnaire each Key Person shall indicate that he or she:

- has received a copy of this Policy;
- has read and understands this Policy,
- agrees to comply with this Policy, and
- understands that L+M is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

4.2.1 The Questionnaire of each Director will be reviewed by the Chair or the Chair's delegate of the applicable Board, by the Treasurer or the Treasurer's delegate of the applicable Board, and by the applicable CEO or the CEO's applicable delegate.

4.2.2. A CEO's Questionnaire will be reviewed by the applicable Chair and the Treasurer of the Board.

4.2.3 The Questionnaire of each other Senior Management Employee will be reviewed by the applicable CEO or the CEO's applicable delegate.

4.4 Disclosure Upon Initial Appointment/Election as Director or Initial Employment. Upon initial appointment, election, or employment, as the case may be, each Key Person shall complete the Questionnaire and submit it to the applicable CEO.

4.5 Continuing Duty. If, prior to the next annual disclosure, any Financial or Nonfinancial Interest on the part of any Key Person develops that has not previously been disclosed, the Key Person shall promptly disclose the Financial or Nonfinancial interest to the CEO and make it a matter of record.

4.6 Safe Procedure. In the event a Key Person has reason to believe that another Director or Senior Management Employee has failed to promptly and fully disclose a Financial or Nonfinancial Interest, it is incumbent upon the Key Person to inform the applicable Chair and the applicable CEO of the non-disclosure. If the non-disclosure involves a Chair and/or a CEO, the Key Person shall instead notify the applicable Chair of the Audit Committee and the Chair of the Governance Committee or other comparable committee. The Board and/or the CEO shall thereafter proceed as provided in Section 6.5.

ARTICLE V
PROCEDURES TO DETERMINE WHETHER ACTUAL CONFLICT EXISTS

5.1 Ongoing Compliance Procedures. A Chair and CEO will review in advance the agenda of each annual, regular and special meeting of the Board and identify, to the extent possible, potential conflicts of interest. If a potential conflict of interest is identified, the Chair or the CEO will notify and advise the individual with the potential conflict prior to the Board meeting, and the full Board will be advised of the potential conflict at the meeting. In addition, each Key Person attending a meeting who believes there is or may be a potential or actual conflict of interest either for him/herself or for any other Key Person shall identify the issue for consideration by the Board if the Chair or the CEO have not done so.

5.2 Determining whether a Conflict Exists. If a Key Person may have a conflict of interest, the Key Person shall leave the meeting after providing all material information relevant to the existence of a conflict. The individuals remaining in the meeting shall decide if a conflict of interest exists. If so, as provided in Article 6, the Key Person shall not thereafter vote on the substantive matter or be present during deliberations. If it is determined that there is no conflict, the Key Person may fully participate in the meeting.

5.3 Conflicting Duties. In certain circumstances, a Key Person may be faced with conflicting duties such that the disclosure of the actual or potential conflict of interest would breach the duty of confidentiality to another organization. In such cases, the Key Person should state that an actual or potential conflict of interest exists and that his or her duties to another organization preclude full disclosure of the nature or extent of the interest. The Key Person should then leave the meeting and remain out of the meeting during discussion and the vote as provided in Article VI.

5.4 Senior Management Employees. A Senior Management Employee (1) who has a potential conflict of interest related to a matter for which the employee has supervisory or management responsibility or (2) who has the ability to influence decision-making or the outcome on such a matter shall promptly notify the CEO, who shall determine whether the Senior Management Employee has a conflict of interest and, if so, shall take appropriate action to remove the Senior Management Employee from responsibility for or participation with respect to that matter. The Senior Management Employee shall not thereafter attempt to influence the outcome or decision about the matter in any way. If the CEO has a potential conflict, the CEO shall notify the Chair.

ARTICLE VI
PROCEDURES WHEN A CONFLICT OF INTEREST IS FOUND TO EXIST

6.1 Voting. No Key Person who has a conflict of interest on any matter shall participate in substantive deliberations or vote on that matter or be counted in determining the quorum for the meeting at which the vote is taken, even when permitted by law. No Key Person who has a conflict of interest on any matter shall use his or her personal influence on the matter.

6.2 Participation by Key Person with Conflict. These requirements do not prevent an individual from briefly stating his or her position on any matter, where appropriate, or from answering pertinent questions asked by others, since his or her knowledge may provide assistance to others. The Key Person with a conflict of interest must leave the meeting after providing any information requested by others; no Key Person shall be present during substantive discussions, deliberations, or voting on the matter on which that Key Person has a conflict.

6.3 Transactions or Arrangements. If a Director has a conflict of interest with respect to a proposed transaction or financial arrangement in an amount exceeding $25,000 in any year, the Chair shall advise the Board and may appoint, if appropriate, a disinterested Director or a committee of disinterested Directors to investigate the proposed transaction or arrangement and to report to the Board. The Board may also, or in the alternative, obtain outside independent advice on the financial fairness of the transaction or arrangement. After exercising due diligence, the Board shall determine, if appropriate, whether L+M can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible or appropriate under the circumstances, the Board shall thereafter determine by a majority vote of the disinterested Directors whether the proposed transaction or arrangement is in L+M's best interests and is fair and reasonable to L+M.

Any proposed transaction or arrangement that presents a conflict of interest for a Director but has a value of $25,000 or less in any year may be awarded by L+M in the normal course of business, provided that the decision to enter into the transaction or arrangement must be based on L+M's standard considerations of the best combination of cost, quality, service, or availability and must be made by disinterested persons.

L+M shall not enter into any transaction or arrangement with a Key Person unless it (i) determines that the transaction will not be considered an Excess Benefit Transaction, as defined in Section 4958 of the Internal Revenue Code of 1986, as amended and (ii) approves the transaction or arrangement by vote of wholly disinterested persons in compliance with this Policy. For purposes of this provision, a disinterested Director or person is one who has no Financial or Nonfinancial Interest in the proposed transaction or arrangement.

6.4 Need for Resignation, Decision Not to Nominate or Elect, or Exclusion from Meeting. A Director may have actual or potential conflicts of interest or loyalties to other organizations that are so pervasive or significant that the effectiveness of such Director on behalf of L+M is significantly impaired, and the Director should not, or may not be able to, serve as a Director. In addition, a Director may repeatedly fail to disclose one or more conflicts of interest, intentionally fail to disclose a significant conflict of interest, or otherwise act in a manner the Board believes is adverse or harmful to L+M.

In such cases, the Board may take such action as may be necessary to resolve the conflicts, unacceptable conduct, tension, or duality of interests. Such action may include (1) requesting that the Director resign from the Board, including, in the case of an ex-officio Director, from the office providing the basis for the Director's ex-officio status, (2) deciding not to nominate or elect the Director to an additional term on the Board, or (3) as discussed below, excluding the Director from meetings.
Consistent with the Director's duty of loyalty to L+M, the Director in question should also consider resigning.

The following provides certain specific guidelines imposed by this Policy:

6.4.1 An individual who is an ex-officio Director has the same obligations and responsibilities to the Board and to L+M as any other Director; any such ex-officio Director is required to act solely in the best interests of L+M, provided that an ex-officio Director may as appropriate communicate the views and concerns of the group or organization that elected or appointed the Director to the position from which the Director's ex-officio status derives as those views or concerns relate to promotion of L+M's interests and mission.

6.4.2 A Director, whether elected or ex-officio, who consistently evidences an inability or unwillingness to focus on L+M's best interests may be excluded from meetings, except, in the case of an ex-officio Director, for those portions of meetings for which the Chair determines it is appropriate for the Director to articulate the interests of the group or organization from which the Director's ex-officio status derives.

6.4.3 No Director shall serve as a member of the governing board, partner, investor or senior executive of any health care or other organization that materially competes with one or more of L+M's principal service/business lines. Routine in-office services provided by a physician's office, such as laboratory services, shall not be disqualifying.

6.4.4 No Director shall serve as a principal, partner, owner, employee, member of the governing board, or investor of any organization receiving a substantial amount of revenue from L+M, which we define as the greater of $200,000 or 2% of the annual revenues of that organization or company in the preceding or current year.

6.4.5 In addition, no Director may serve as a principal, partner, employee, counsel, or shareholder in a law firm that takes any position directly adverse to L+M. A position is considered directly adverse to L+M if it would constitute a conflict under Rule 1.7 of the Connecticut Rules of Professional Conduct.

The existence of this Section 6.4 does not purport to modify or limit in any way relevant provisions of L+M's bylaws or applicable law governing conflicting interest transactions or the removal of a Director with or without cause or the authority of the Board to impose additional guidelines, obligations or restrictions.

6.5 Failure to Disclose. If the Board (or the CEO in the case of a Senior Management Employee) has reasonable cause to believe that a Key Person has failed to disclose a Financial or Nonfinancial Interest that could present or give rise to a conflict of interest, it shall inform the Key Person of the basis for that belief and give the Key Person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Key Person and making such further investigation as may be warranted in the circumstances, the Board or CEO determines that the Key Person has in fact failed to disclose such an interest, the Board or CEO, as the case may be, shall take appropriate action.

ARTICLE VII
RECORDS OF THE MEETINGS

7.1 The minutes of each meeting shall contain the name(s) of Key Persons who disclosed or otherwise were thought to have a personal or outside interest in connection with any matter before the Board, the nature of the interest, a description of any action taken or data relied upon to determine whether a conflict of interest was present and the Board's decision as to whether a conflict of interest in fact existed.

7.2 The minutes shall also contain the names of the persons who were present for discussions and votes relating to the matter, names of individuals abstaining from discussions and votes, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken. The minutes shall document when the Key Person with a conflict was present or absent from the meeting.

ARTICLE VIII
SPECIAL PROVISIONS RELATED TO COMPENSATION DECISIONS

8.1 A Key Person who receives any compensation, directly or indirectly, from L+M for services is precluded from discussing and voting on matters pertaining to that Key Person's compensation.

8.2 A physician who is a Director and who receives compensation, directly or indirectly, from L+M for services is precluded from discussing and voting on matters pertaining to that and other physicians' compensation. No physician or physician Director, either individually or collectively, is prohibited from providing information to the Board regarding physician compensation.

8.3 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from L+M for services is precluded from voting on matters pertaining to that member's compensation.

8.4 Physicians who receive compensation, directly or indirectly, from L+M whether as employees or independent contractors, are precluded from membership on any Board committee whose jurisdiction includes compensation matters. No physician, either

individually or collectively, is, however, prohibited from providing information to any committee regarding physician compensation.

ARTICLE IX
STATE LAW

In any case in which the definitions and procedures concerning Director's Conflicting Interest Transactions set forth in sections 33-1127 through 33-1130 of the Connecticut General Statutes, or R.I. Gen. Laws Ann. § 7-6-26.1, as they may be amended from time to time, are more restrictive than this Policy, then the statutes shall govern with respect to any contract, transaction or arrangement that constitutes a Director's conflicting interest transaction within the meaning of the statutes.

ARTICLE X
DIRECTOR INDEPENDENCE

10.1 Applicability. The provisions of this Article X apply to (1) hospitals and (2) other tax-exempt entities where L+M Healthcare deems it necessary and consistent with the entity's tax-exempt charitable purpose.

10.2 Generally. Whether a Director is "independent" and free of any relationship that might interfere with or affect the Director's ability to exercise independent judgment is relevant to the composition of the Board and certain committees. The Affiliates that are licensed as hospitals are required, for purposes of federal tax exemption, to have at least a majority of the Board be comprised of persons who are independent of L+M. In addition, the Audit Committee and the Compensation Committee that acts on behalf of the hospitals must be comprised of Directors who are independent.

10.3 Independent Director. A Director is "independent" if, at any time and during the immediately preceding two fiscal years, all of the following is true:

(a) The Director did not receive compensation as an officer or other employee of L+M;

(b) The Director did not receive compensation or payments from L+M in a single tax year as an independent contractor in excess of $10,000 (other than expense reimbursement);

(c) Neither the Director nor, where applicable, any Related Person was involved in a Reportable Transaction, as defined in Section 10.4, with either L+M or a tax-exempt or taxable related organization that has been identified by L+M following reasonable efforts to obtain the necessary information;

(d) The Director is not, and does not have a partner, employee or Related Person who is a physician or other licensed health care professional with privileges at an Affiliate who is licensed as a hospital and actively practicing in the community; and

(e) The Director does not otherwise have a Financial Interest or Nonfinancial Interest that is determined by the Board to be so significant that a reasonably prudent person would perceive the interest to exert an influence on the Director's judgment.

A director does not lack independence by being a donor to the organization, regardless of amount of contribution, or by receiving benefits from the organization solely in the capacity of being a member of the charitable or other classes served by L+M in exercise of its exempt functions.

10.4 Reportable Transaction. A "Reportable Transaction" means a transaction defined as reportable on Schedule L to the IRS Form 990, which includes the following transactions, applied in a manner consistent with the IRS instructions to the Form 990:

(a) A Loan to a Director from L+M or a Loan from a Director to L+M.

(b) Grants or other assistance (including free goods, services or use of facilities), regardless of amount, provided by L+M to a Director, a Related Person or a 35% Controlled Entity.

(c) Any business transaction between L+M and a Director, Related Person, a 35% Controlled Entity, or a Reportable Entity for which payments
  (i) for all transactions in a single fiscal year exceed $100,000;
  (ii) for a single transaction exceed $10,000; or
  (iii) involve compensation to a Related Person in excess of $10,000.

(d) For purposes of Section 10.4 (b) and (c) above, a 35% Controlled Entity is any entity that is more than 35% owned, either directly or indirectly, individually by or collectively with one or more current or former officers, directors, key employees and/or their Related Persons.

(e) For purposes of Section 10.4(c) above, a Reportable Entity is any entity in which a Director, at the time of the business transaction, was serving as an officer, director, trustee, key employee or greater than 5% owner in a professional corporation or an entity treated as a partnership.

10.5 Regardless of whether a Director is independent within the meaning of this Article X, every Director is required to comply with the provisions of this Policy.

Reference:
Archive Dates Reviewed Date: Revised: 10/08, 9/13 Supersedes:

Exhibit 9

EXHIBIT 9
INDEX

DOCUMENT TITLE	BATES NUMBERS
Consolidated Financial Statements and Supplementary Information: Yale-New Haven Health Services Corporation d/b/a Yale New haven health System and Subsidiaries Years Ended September 30, 2015-2014 With Report of Independent Auditors	DOHP0271A1-55
Consolidated Financial Statements and Supplementary Information: Yale-New Haven Health Services Corporation d/b/a Yale New haven health System and Subsidiaries Years Ended September 30, 2014-2013 With Report of Independent Auditors	DOHP0272-0341
Consolidated Financial Statements and Supplementary Information: Yale-New Haven Health Services Corporation d/b/a Yale New Haven Health Systems and Subsidiaries Years Ended September 30, 2012 and 2011 With Report of Independent Auditors	DOHP0342-0405
Consolidated Financial Statements and Supplementary Information: Yale-New Haven Health Services Corporation d/b/a Yale New Haven Health Systems and Subsidiaries Years Ended September 30, 2013 and 2012 With Report of Independent Auditors	DOHP0406-0476
Lawrence + Memorial Corporation and Subsidiaries: Consolidated Financial Statements and Supplemental Information September 30, 2015 and 2014	DOHP0477A1-33
Lawrence + Memorial Corporation and Subsidiaries: Consolidated Financial Statements and Supplemental Information September 30, 2014 and 2013	DOHP0478-0511
Lawrence + Memorial Corporation and Subsidiaries: Consolidated Financial Statements and Supplemental Information September 30, 2013 and 2012	DOHP0512-0546
Lawrence + Memorial Corporation and Subsidiaries: Consolidated Financial Statements and Supplemental Information September 30, 2012 and 2011	DOHP0547-0579
2013 L+M Management Letter	DOHP0579A1-10
2015 L+M Management Letter	DOHP0579A11-19

YNHHSC Financials

KPMG

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidated Financial Statements and
Supplementary Information

September 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Financial Statements:	
Consolidated Balance Sheets	3
Consolidated Statements of Operations and Changes in Net Assets	5
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Information	
Consolidating Balance Sheet	49
Consolidating Statement of Operations and Changes in Net Assets	51

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries:

We have audited the accompanying consolidated financial statements of Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries, which comprise the consolidated balance sheet as of September 30, 2015, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the 2015 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yale-New Haven Health Services Corporation as of September 30, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other Matters

The accompanying consolidated financial statements of Yale-New Haven Health Services Corporation as of September 30, 2014 and for the year then ended were audited by other auditors whose report thereon dated December 23, 2014, expressed an unmodified opinion on those consolidated financial statements.

Our audit was performed for the purpose of forming an opinion on the 2015 consolidated financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

KPMG LLP

December 23, 2015

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidated Balance Sheets

September 30, 2015 and 2014

(In thousands)

Assets		2015	2014
Current assets:			
Cash and cash equivalents	$	194,946	161,059
Short-term investments		1,160,670	1,040,882
Accounts receivable for services to patients, less allowance for uncollectible accounts of approximately $313,860 in 2015, and $272,684 in 2014		405,694	368,342
Professional liabilities insurance recoveries receivable – current portion		32,170	35,271
Other current assets		91,540	72,812
Amounts on deposit with trustee in debt service fund		5,465	4,641
Total current assets		1,890,485	1,683,007
Assets limited as to use		206,319	233,550
Long-term investments		420,800	394,904
Deferred financing costs, less accumulated amortization		10,494	10,993
Professional liabilities insurance recoveries receivable – noncurrent		85,394	86,652
Goodwill		114,308	114,352
Other assets		211,155	188,102
Property, plant, and equipment, net		1,388,747	1,455,574
Construction in progress		157,101	66,043
		1,545,848	1,521,617
Total assets	$	4,484,803	4,233,177

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets		2015	2014
Current liabilities:			
Accounts payable and accrued expenses	$	499,883	451,030
Current portion of long-term debt		16,881	19,493
Current portion of capital lease obligation		2,050	2,963
Professional liabilities – current portion		32,170	35,271
Other current liabilities		92,866	58,800
Total current liabilities		643,850	567,557
Long-term debt, net of current portion		906,150	917,111
Long-term capital lease obligations, net of current portion		107,159	70,998
Accrued pension and postretirement benefit obligations		339,901	321,442
Professional liabilities – noncurrent		148,303	173,806
Other long-term liabilities		304,801	271,261
Deferred revenue		42,720	44,378
Total liabilities		2,492,884	2,366,553
Net assets:			
Unrestricted		1,750,995	1,644,056
Temporarily restricted		147,568	141,712
Permanently restricted		93,356	80,856
Total net assets, including noncontrolling interest		1,991,919	1,866,624
Commitments and contingencies			
Total liabilities and net assets	$	4,484,803	4,233,177

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidated Statements of Operations and Changes in Net Assets

Years ended September 30, 2015 and 2014

(In thousands)

	2015	2014
Operating revenue:		
Net patient service revenue	$ 3,574,213	3,411,435
Less provision for bad debts, net	(81,528)	(123,743)
Net patient service revenue, less provision for bad debts, net	3,492,685	3,287,692
Other revenue	109,595	106,994
Total operating revenue	3,602,280	3,394,686
Operating expenses:		
Salaries and benefits	1,858,472	1,744,137
Supplies and other	1,344,217	1,251,717
Depreciation and amortization	185,944	192,072
Insurance	29,803	9,731
Interest	24,188	26,917
Total operating expenses	3,442,624	3,224,574
Income from operations	159,656	170,112
Nonoperating gains (losses), net:		
Income from investments, donations, and other, net	14,113	84,024
Change in fair value of swap, including counterparty payments	(29,678)	(17,204)
Loss on refunding of long-term debt	—	(32,631)
Excess of revenue over expenses	144,091	204,301
Other changes in unrestricted net assets:		
Other changes in net assets	(382)	(215)
Net assets released from restrictions for purchases of fixed assets	7,342	3,947
Pension and postretirement related changes other than net periodic benefit cost	(44,112)	(75,259)
Increase in unrestricted net assets	106,939	132,774

(Continued)

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidated Statements of Operations and Changes in Net Assets

Years ended September 30, 2015 and 2014

(In thousands)

	2015	2014
Temporarily restricted net assets:		
Income from investments	2,234	1,389
Net realized and unrealized gains on investments	1,335	13,172
Bequests and contributions	30,336	20,859
Net assets released from restrictions for purchases of fixed assets	(5,950)	(3,947)
Net assets released from restrictions for operations	(21,196)	(13,178)
Net assets released from restrictions for clinical programs	(1,477)	(5,882)
Other changes in net assets	574	741
Increase in temporarily restricted net assets	5,856	13,154
Permanently restricted net assets:		
Bequests and contributions	15,175	5,372
Net assets released from restrictions for purchases of fixed assets	(1,392)	—
Net realized and unrealized losses on investments	(1)	46
Change in beneficial interest in perpetual trusts	(1,282)	5,259
Increase in permanently restricted net assets	12,500	10,677
Increase in net assets	125,295	156,605
Net assets at beginning of year	1,866,624	1,710,019
Net assets at end of year	$ 1,991,919	1,866,624

See accompanying notes to consolidated financial statements.

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidated Statements of Cash Flows

Years ended September 30, 2015 and 2014

(In thousands)

	2015	2014
Operating activities:		
Increase in net assets	$ 125,295	156,605
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	185,944	192,072
Net realized and change in net unrealized gains and losses on investments	(27,967)	(101,335)
Change in fair value of interest rate swap agreements	5,566	1,455
Loss on refunding of long-term debt	—	32,631
Amortization of long-term debt premium	(2,807)	(1,758)
Provisions for bad debts, net	81,538	123,743
Amortization of deferred financing costs	499	(413)
Change in perpetual trusts	1,302	(6,212)
Bequests and contributions, net of pledges	(45,511)	(26,231)
Pension and postretirement related changes other than net periodic benefit cost	44,112	75,259
Changes in operating assets and liabilities:		
Accounts receivable, net	(118,890)	(157,111)
Other assets	(41,737)	(53,367)
Accounts payable and accrued expenses	48,853	(23,070)
Professional insurance recoveries and liabilities	(24,245)	754
Other liabilities	34,729	45,572
Net cash provided by operating activities	266,681	258,594
Investing activities:		
Net acquisitions of property, plant, and equipment	(169,932)	(115,888)
Capitalized interest	—	190
Net purchases of investments	(218,679)	(190,238)
Net sales of investments	100,962	10,765
Amounts deposited with trustee in debt service fund	(824)	2,535
Assets limited as to use	25,929	(52,867)
Net cash used in investing activities	(262,544)	(345,503)
Financing activities:		
Proceeds from issuance of long-term debt	—	619,183
Proceeds from notes payable	8,345	—
Payments of long-term debt	(14,927)	(490,610)
Payments on bank line of credit payable	—	(25,000)
Payments of notes payable	(4,185)	(3,213)
Payments on capital lease obligations	(4,995)	(2,645)
Cost of issuance of long-term debt	—	(6,825)
Bequests and contributions, net of pledges	45,512	26,231
Net cash provided by financing activities	29,750	117,121
Net increase in cash and cash equivalents	33,887	30,212
Cash and cash equivalents at beginning of year	161,059	130,847
Cash and cash equivalents at end of year	$ 194,946	161,059

See accompanying notes to consolidated financial statements.

(1) Organization and Significant Accounting Policies

Yale-New Haven Health Services Corporation (Y-NHHSC), formed in 1983, was incorporated under the Connecticut Nonstock Corporation Act to coordinate the activities of the members of the Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (collectively, the System), and is an integrated regional health care delivery system. The System currently includes the following entities:

Y-NHHSC is the parent company of Yale-New Haven Hospital and Subsidiaries (Y-NHH), Bridgeport Hospital and Subsidiaries (BH), Greenwich Health Care Service, Inc. (GHCS), Northeast Medical Group, Inc. (NEMG), and Y-NHH-MSO, Inc. (MSO).

Y-NHHSC is the sole member of Yale-New Haven Hospital, Inc. Y-NHH and its subsidiaries operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets and board appointments of Y-NHH. Y-NHH is the parent of:

Yale-New Haven Care Continuum Corporation (YNHCCC), a Connecticut nonstock corporation, is a wholly owned subsidiary of Y-NHH. YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury or a traumatic major illness. Its services include respite care for family members and caregivers, recovery for victims of strokes, orthopedic recovery services, medications and diagnostic services (such as radiological services).

Yale-New Haven Ambulatory Services Corporation and Subsidiaries (ASC), a Connecticut nonstock, taxable corporation, is a wholly owned subsidiary of Y-NHH, and is 51% owner of Shoreline Surgery Center, LLC (SSC) and SSC II, LLC.

York Enterprises, Inc. and Subsidiaries (York) is a Connecticut corporation formed for the purpose of initiating or acquiring business entities. Currently, York has two subsidiaries: Medical Center Pharmacy and Home Care, Inc. (MCP) and Medical Center Realty, Inc. (MCR). MCP is a Connecticut stock, for-profit company, which operated a retail pharmacy with multiple locations until February 2011. MCR is a Connecticut stock, for-profit company, which owns or holds leases on the System's affiliated commercial space. York is the sole shareholder of MCP and MCR.

Caritas Insurance Company, Ltd. (Caritas) is a Vermont-domiciled, captive insurance company licensed under Chapter 141 of Title 8 of the Vermont Statutes Annotated. Caritas is a tax-exempt supporting organization having Y-NHH as its sole shareholder. Caritas provides excess professional liability coverage and general liability coverage. Prior to the 2012 acquisition of the stock of Caritas by Y-NHH from the Hospital of Saint Raphael (HSR), Caritas was a wholly owned subsidiary of HSR. Caritas was dissolved on December 15, 2014 and the insurance liabilities were transferred to Medical Centre Insurance Company, Ltd (see note 10).

(Continued)

Lukan Indemnity Company, Ltd. (Lukan) is a Bermuda-domiciled captive insurance company that provides primary professional liability coverage. Prior to the 2012 acquisition of the stock of Lukan by Y-NHH from HSR, Lukan was a wholly owned subsidiary of HSR. Lukan was dissolved on March 31, 2015 and the insurance liabilities were transferred to Medical Centre Insurance Company, Ltd (see note 10).

Y-NHHSC is the sole member of Bridgeport Hospital. BH and its subsidiaries operate autonomously with a separate board management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets and board appointments of BH. BH is the sole member of the following not-for-profit, nonstock corporations:

Bridgeport Hospital Foundation, Inc. (the Foundation) solicits contributions for the benefit of BH and all other tax-exempt health care organizations associated with BH.

Southern Connecticut Health System Properties, Inc. (Properties) is a real estate holding company, which sold primarily all of its assets to BH during 1998.

NEMG is a tax-exempt medical foundation that provides physician-related services to Bridgeport, Greenwich, and Yale-New Haven Hospitals and their surrounding communities. NEMG operates autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of NEMG.

Concurrent with the issuance of the Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Yale-New Haven Health Obligated Group Issue, Series A, B, C, D and E dated May 20, 2014, six members of the System were combined to form an Obligated Group. The Obligated Group comprises of Y-NHHSC, Y-NHH, YNHCCC, BH, the Foundation and NEMG. The members of the Obligated Group have adopted certain governance provisions in their certificates of incorporation and by-laws pursuant to which Y-NHHSC retains the authority to directly take certain actions on behalf of each Obligated Group member without the approval of the board of trustees of the applicable Obligated Group member, including the incurrence of indebtedness on behalf of each Obligated Group member, the management and control of the liquid assets of each, and the appointment of the president and chief executive officer of each Obligated Group member. GHCS and its subsidiaries are part of the System, but they are not members of the Obligated Group.

GHCS is the parent corporation of a group of wholly owned subsidiaries, including Greenwich Hospital, The Perryridge Corporation Greenwich Health Care Services, Inc. (GHSI), the Greenwich Hospital Endowment Fund, Inc., and Greenwich Ambulatory Surgery Center, LLC (GASC). GHCS and its subsidiaries are Section 501(c)(3) not-for-profit organizations, and are exempt from federal income taxes under Section 501(a) of the Code. Greenwich Hospital, a nonstock Connecticut corporation, is a wholly owned subsidiary of GHCS (the sole member), providing health care services to the lower Fairfield County and Westchester County, New York communities. GHCS and its subsidiaries have continued to operate autonomously with a separate board, management and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets and board appointments of GHCS. GHCS dissolved its wholly owned subsidiary, Greenwich Health Services, Inc., a Connecticut business corporation during fiscal 2015. The activity and eliminations

(Continued)

for Greenwich Pathology Associates, LLC, Greenwich Clinical Pathology Associates, LLC, Greenwich Fertility and IVF center, P.C., Occupational Health of New Jersey and Occupational Health of New York are now reported as part of Greenwich Hospital.

Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, any transfer of assets, and Board of Director appointments of GHCS and its subsidiaries.

MSO, a for-profit stock corporation, was formed to manage physician practices and provide third-party administration services on certain managed care contracts. The capital stock of MSO consists of 20,000 shares of common stock, par value of one one-hundredth of a dollar per share. The Board of Directors of MSO is appointed by Y-NHHSC, the sole shareholder, who controls MSO's operations.

(a) Acquisition

On June 1, 2014, NEMG and Y-NHHSC acquired certain assets of PriMed, LLC (PriMed), a physician practice for approximately $54.2 million. YNHHSC contributed the entire purchase price. PriMed is a multi-specialty group of approximately 120 providers in 36 locations across Fairfield County and New Haven County, Connecticut. PriMed also is the sole member of a gastroenterology surgery center, the Fairfield County Endoscopy Center, and offers a number of ancillary services, such as a sleep laboratory, cardiac diagnostic testing, physical therapy and nutritional counseling. Under the terms of the transaction, NEMG and Y-NHHSC acquired substantially all the assets of PriMed and a 40% interest in the gastroenterology surgery center. Y-NHHSC deposited $5.5 million into escrow to fund the purchase of the remaining 60% membership interest in the gastroenterology surgery center. This purchase was completed in May 2015. Also at acquisition, Y-NHHSC recorded a liability of $5 million for the amounts to be paid to PriMed physicians contingent on their continued service in the three years following the acquisition closing date as per the agreement.

(b) Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the System and its subsidiaries. All significant intercompany revenue and expenses and inter-company balance sheet accounts have been eliminated in consolidation.

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated collectibles for accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the reporting period. Actual results could differ from those estimates.

During the years ended September 30, 2015 and 2014 the System recorded a favorable change in estimate of approximately $29.8 million and $11.9 million, respectively. Included in the change are amounts related to third-party payor settlements.

(Continued)

(d) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose, and appreciation on permanently restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. The System is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from the trusts is unrestricted, and the assets are classified as permanently restricted by the donor.

Certain restricted funds investments are pooled with certain unrestricted investments to facilitate their management. Investment income is allocated to both restricted and unrestricted funds participating in the investment pool on pro rata basis based on the market value of the fund. The Board of Trustees approves spending for certain pooled funds based on the spending policy. Realized gains and losses from the sale of securities are computed using the average cost method and the first-in, first-out method.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recognized as revenue, and is classified as either unrestricted or temporarily restricted in accordance with donor-imposed restrictions, if any, on the contributions.

(e) Capital Campaign and Pledges Receivable

Contributions and pledges receivable, included in other current assets and other assets in the accompanying consolidated balance sheets at September 30, 2015 and 2014, are expected to be received as follows (in thousands):

	September 30	
	2015	2014
Less than one year	$ 4,379	5,164
One to five years	3,415	4,298
Thereafter	60	—
	7,854	9,462
Less unamortized discount on contributions receivable (0.01% to 4.2%)	(232)	(208)
	7,622	9,254
Allowance for uncollectible contributions	(229)	(277)
Contributions receivable, net	$ 7,393	8,977

(Continued)

Excluded from contributions receivable are certain items, primarily letters of intent, which are not legally binding and gifts conditional on events that have not yet occurred.

(f) Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

(g) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use, and which are not maintained in the short-term or long-term investment portfolios.

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is the System's policy to monitor the financial strength of these institutions.

(h) Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for uncollectible accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for uncollectible accounts.

The amount of the allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators. Management periodically assesses the adequacy of this allowance based upon historical collection and write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible patient accounts receivable. After satisfaction of amounts due from insurance, The System follows established guidelines for placing certain patient balances with collection agencies, subject to certain restrictions on collection efforts as determined by the System policy. See note 2 for additional information relative to third-party payor programs.

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors. Such receivables do not bear interest.

(i) Loan Receivable

On September 2014, Y-NHH entered into a term loan agreement as part of a transaction with a health care provider more fully described in note 11. The term loan agreement has a term that coincides with an agreement for Y-NHH to lease an Inpatient Rehabilitation Unit (IRU). The term of

the IRU Lease Agreement is five years and provides Y-NHH with two five-year renewal options at the end of each term.

The term loan bears interest of 6.5% annually that is payable monthly. The loan is collateralized by certain property owned by a subsidiary of the health care provider.

(j) Investments

The System has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value (quoted market prices) in the accompanying consolidated balance sheets.

Certain alternative investments (nontraditional, not-readily-marketable assets) are structured such that the System holds limited partnership interests or pooled units and are accounted for utilizing net asset value per unit for measurement of the units' fair value. Individual investment holdings within the alternative investments may, in turn, include investments in both nonmarketable and market-traded securities. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The investments may indirectly expose the System to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors. Future funding commitments for alternative investments aggregated approximately $6.4 million at September 30, 2015.

The System maintains the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System nonprofit entities. The Trust is comprised of two pools: the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

Under the terms of the investment management agreement with the Trust, withdrawals of investments in the L-TIP can be made annually by each Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2015, each Hospital can withdrawal 100% of its investment in the L-TIP on July 1, 2016. Withdrawals of investments in the I-TIP in any amount can be made quarterly with 30 days advance notice.

The Trust has entered into an agreement with Yale University (the University). The University's investment office (the Investment Management Agreement) which allows the University to manage a

portion of the Trust's investments as part of the University's Endowment Pool (the Pool). The Trust transferred approximately $50.0 million and $100.0 million to the University in exchange for units in the Pool for years ended September 30, 2015 and 2014, respectively. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income, and cash.

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1. For withdrawals of amounts less than $150.0 million, or 75% of the Trust's investment in the Pool, $100.0 million, or 50% of the Trust's investment in the Pool, and $50.0 million, or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In March 2006, Y-NHH entered into an arrangement with the University, whereby the University will manage certain Board-designated assets of Y-NHH. These Board-designated assets are commingled in the University's endowment pool. As of September 30, 2015 and 2014, the carrying value of assets managed by the University under this agreement was approximately $10.6 million and $10.4 million, respectively. Because of the limitations on their use, the assets are separately classified from assets invested under the Investment Management Agreement.

In 2011, the investment management agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances, interest of U.S. Prime rate, plus 2% will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of Trust's units in the Endowment using the June 30th unit valuation. No advances have been requested or taken by the Trust.

Short-term investments represent those securities that are available for the System's operations, and can be converted to cash within one year.

(k) Inventories

Inventories (included in other current assets) are stated at the lower of cost or market. The System values its inventories using the first-in, first-out method, with the exception of Y-NHH's pharmacy inventories, which are valued at average cost.

(l) Assets Limited as to Use

Assets so classified represent assets held by trustees under indenture agreements, beneficial interest in perpetual trusts. Amounts required to meet current liabilities are reported as current assets. These funds consist primarily of U.S. government securities, equities, debt securities, mutual funds and money market funds.

(m) Perpetual Trusts

The System is the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts, which are measured based on the fair value of the assets held by the trust, are recognized as assets and contribution revenue at the dates the trusts are established. Beneficial interest in perpetual trusts is recorded as permanently restricted net assets and is adjusted for any changes in the fair value of the trusts. Income distributions received from the trusts are recorded as temporarily restricted contributions when received.

(n) Interest Rate Swap Agreements

The System utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The System is exposed to credit loss in the event of nonperformance by the counterparties to its interest rate swap agreements. The System is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the System.

(o) Benefits and Insurance

The System is effectively self-insured for medical, dental, hospitalization, and prescription drug benefits provided to employees and has a stop loss arrangement to limit exposure for these self-insured benefits. Y-NHH and Y-NHHSC make annual contributions to the Y-NHHSC Voluntary Employee Beneficiary Association (VEBA) plan to fund medical, dental, hospitalization, group term life insurance and prescription drug benefits. Annually, premiums are set to reflect the estimated cost of benefits. During the years ended September 30, 2015 and 2014, Y-NHH and Y-NHHSC made actuarially determined contributions, net of premium adjustments, to the VEBA plan of approximately $179.7 million and $172.6 million, respectively.

(p) Professional Liability Insurance

The System is effectively self-insured for workers' compensation claims. The System has a stop loss arrangement to limit exposure for workers' compensation claims. Estimated amounts are accrued for claims, including claims incurred but not reported (IBNR). At September 30, 2015 and 2014, the estimated discounted liabilities for self-insured workers' compensation claims and IBNR aggregated approximately $31.4 million and $29.4 million, respectively, discounted at 2.0% and 2.5%, respectively, and are included in other long-term liabilities in the accompanying consolidated balance sheets.

The System records the actuarially determined liabilities for IBNR professional and general liabilities (see note 10).

(q) Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost, and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed

(Continued)

of, and any resulting gain or loss is included in income from operations. Depreciation of property, plant and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives, ranging from 3 to 50 years. The cost of additions and improvements are capitalized, and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

Leases are classified as capital leases or operating leases in accordance with the terms of the underlying lease agreements. Lease payments under operating leases are charged directly to rental expense, and are included in supplies and other expenses in the accompanying consolidated statements of operations.

(r) Goodwill

Goodwill is not amortized but instead tested at least annually for impairment or more frequently when events or changes in circumstances indicate that the assets might be impaired. This impairment test is performed at the reporting unit level. The System evaluates goodwill at the entity level as management has determined that the System's operation comprise a single reporting entity. Goodwill is considered to be impaired if the carrying value of the reporting unit, including goodwill, exceeds the reporting unit's fair value. Reporting unit fair value is estimated using both income (discounted cash flows) and market approaches.

The discounted cash flow approach requires the use of assumptions and judgments, including estimates of future cash flows and the selection of discount rates. The market approach relies on comparisons to publicly traded stocks or to sales of similar companies. The System has determined that no goodwill impairment exists at September 30, 2015 or 2014.

(s) Deferred Revenue

Deferred revenue includes amounts which have been received that relate to future years. Amounts will be reduced as revenue is earned.

(t) Derivative Contracts

In the normal course of business, the System procures fuel and has entered into forward delivery agreements and commodity contracts. Substantially all of the System's contracts to procure fuel are designated as, and qualify as, normal purchases; accordingly, such contracts are not accounted for as derivative contracts.

(u) Excess of Revenue Over Expenses

In the accompanying consolidated statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as nonoperating.

Contributions of, or restricted to, property, plant and equipment, and pension and other postretirement related changes other than net periodic benefit cost are excluded from the performance indicator, but are included in the change in net assets.

(v) Income Taxes

Most entities within the System are not-for-profit corporations as described in Section 501(c)(3) of the Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Provisions for income taxes and deferred taxes, which are not material to the consolidated financial statements, have been made for the taxable entities listed above under the description of the System.

There are certain transactions that could be deemed "Unrelated Business Income" and would result in a tax liability. Management reviews transactions to estimate potential tax liabilities using a threshold of more likely than not that the position will be sustainable based on the merits of the position. It is management's estimation that there are no material tax liabilities that need to be recorded.

(w) Operating Expenses

Y-NHH records amounts received from the University, area hospitals, and other local health care providers for costs incurred on behalf of those organizations as reductions to expenses. These costs consist mainly of salaries and benefits. For the years ended September 30, 2015 and 2014, Y-NHH recorded approximately $55.0 million and $60.5 million, respectively, as reductions to expenses.

(x) Deferred Financing Costs

The System capitalizes costs incurred in connection with the issuance of long-term debt, and amortizes these costs over the life of the respective obligations using the effective interest method (note 8). The accumulated amortization of deferred financing costs was approximately $1.1 million and $0.6 million for September 30, 2015 and 2014, respectively. See note 8 for additional information relative to debt-related matters.

(y) Impairment of Assets

The System reviews property, plant, and equipment, and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the System recognizes a loss on the basis of whether these amounts are fully recoverable. There was no impairment recognized in 2015 and 2014.

(z) Reclassifications

Certain reclassifications have been made to the year ended September 30, 2014, balances previously reported in the consolidated financial statements in order to conform with the year ended September 30, 2015, presentation.

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(aa) New Accounting Pronouncements

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, *Fair Value Measurement (Topic 820) – Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Reporting entities will be required to disclose the amount of investments measured at net asset value (or its equivalent) using the practical expedient to reconcile total investments in the fair value hierarchy to total investments measured at fair value. ASU 2015-07 is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The effective date for all other entities is fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. Management has adopted and applied ASU 2015-07 retrospectively to all periods presented.

In April, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. ASU No. 2015-03 is intended to simplify the presentation of debt issuance costs, requiring them to be presented as a direct reduction from the carrying value of the related debt liability. This guidance is effective for fiscal years beginning after December 15, 2015 and management is currently evaluating the effect of this guidance on its consolidated financial statements.

(2) Accounts Receivable for Services to Patients and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such audits, reviews, and investigation.

Third-party payor receivables included in other receivables were $5.0 million and $8.0 million at September 30, 2015 and 2014, respectively. Third-party payor liabilities included in other current liabilities were $76.2 million and $47.4 million at September 30, 2015 and 2014, respectively. Third-party payor liabilities include in other long-term liabilities were $70.5 million and $76.9 million at September 30, 2015 and 2014, respectively.

The System has established estimates, based on information presently available, of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based

on System-specific data. Such amounts are included in the accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the System. If the appeals are successful, additional income applicable to those years might be realized.

Revenue from Medicare and Medicaid programs accounted for approximately 29% and 11%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2015, and approximately 32% and 11%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2014. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 36% and 27%, respectively for the year ended September 30, 2015 and 37% and 27%, respectively, for the year ended September 30, 2014. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The System believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing, except as disclosed in note 11. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the System. Cost reports for the System's hospitals, which serve as the basis for final settlement with government payors have been settled by final settlement for various years ranging through 2012 for Medicare and through 2013 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 36% from Medicare, 16% from Medicaid, and 48% from nongovernmental payors at September 30, 2015 and 37% from Medicare, 13% from Medicaid, and 50% from nongovernmental payors at September 30, 2014.

Patient service revenue for the years ended September 30, 2015 and 2014, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation, is as follows:

		2015	2014
		(In thousands)	
Third-party	$	3,465,982	3,276,256
Self-pay		108,231	135,179
Total all payors	$	3,574,213	3,411,435

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and the System considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly

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reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts.

The System's allowance for doubtful accounts totaled approximately $313.9 million and $272.7 million at September 30, 2015 and 2014, respectively. The allowance for doubtful accounts for self-pay patients was approximately 66.0% and 81.8% of self-pay accounts receivable as of September 30, 2015 and 2014, respectively. Substantially all write-offs are related to self-pay patients.

(3) Uncompensated Care and Community Benefit Expense

The System's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford health care because of inadequate resources, and/or who are uninsured or underinsured.

The System makes available free care programs for qualifying patients. In accordance with the established policies of the System, during the registration, billing, and collection process, a patient's eligibility for free care funds is determined. For patients who were determined by the System to have the ability to pay but did not, the uncollected amounts are the provision for bad debts. For patients who do not avail themselves of any free care program, and whose ability to pay cannot be determined by the System, care given but not paid for is classified as charity care. During the year ended September 30, 2014, the System amended it Charity Care policy. Based upon the policy change, the System experienced increased charity care write offs during the years ended September 30, 2015 and 2014.

Together, charity care and provision for bad debts represent uncompensated care. The estimated cost of total uncompensated care is approximately $154.7 million and $184.9 million for the years ended September 30, 2015 and 2014, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity.

The estimated cost of charity care provided was $108.4 million and $115.8 million for the years ended September 30, 2015 and 2014, respectively. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the System for each account analyzed.

For the years ended September 30, 2015 and 2014, provision for bad debts, at charges, was $81.5 million and $123.7 million, respectively. For the years ended September 30, 2015 and 2014, provision for bad debt at cost was approximately $46.3 million and $69.1 million, respectively. The provision for bad debts is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program (CDSHP) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by an assessment on hospital net patient service revenue. During the years ended September 30, 2015 and 2014, the System received $14.6 million and $42.2 million, respectively, in CDSHP distributions, of which approximately

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$10.4 million and $27.8 million was related to charity care. The System made payments into the CDSHP of $122.4 million and $102.5 million for the years ended September 30, 2015 and 2014, respectively, for the assessment.

The State of Connecticut implemented changes to the hospital funding levels for the CDSHP in their fiscal 2016 biennium budget. As a result of these budget changes, the funding for this program was reduced effective July 1, 2015. The reduction in funding was approximately $13.2 million for the period July 1, 2015 to September 30, 2015 and the funding has been eliminated for the state fiscal year 2016 in the amount of $52.8 million.

Additionally, the System provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children and various community support groups. The System voluntarily assists with the direct funding of several City of New Haven programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the System provides additional benefits to the community through its advocacy of community service by employees. The System's employees serve numerous organizations through board representation, membership in associations and other related activities. The System also solicits the assistance of other health care professionals to provide their services at no charge through participation in various community seminars and training programs.

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(4) Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use is set forth in the following table (in thousands):

	September 30	
	2015	2014
Money market funds	$ 130,047	212,529
U.S. equity securities	104,792	97,735
International equity securities[a]	105,476	116,635
Fixed income:		
U.S. government	417,835	301,674
International government[b]	97,707	86,160
Corporate bonds	4,945	27,097
Mortgage backed securities	—	24
Commodities	1,595	2,716
Hedge funds:		
Absolute return[c]	21,909	22,310
Long/short equity[d]	6,936	2,460
Private equity	7,489	8,272
Real estate[e]	8,278	11,285
Interest in Yale University endowment pool[f]	855,264	752,731
Perpetual trusts[g]	30,981	32,349
Total	$ 1,793,254	1,673,977

[a] Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

[b] Investments with external commodities futures manager.

[c] Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions.

[d] Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

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(e) Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end Real Estate Investment Trusts (REITs) and limited partnerships.

(f) Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships, and commingled funds. The pool combines an orientation to equity investments with an allocation to nontraditional asset classes such as an absolute return, private equity, and real assets.

(g) Investments consist of several domestic and international equity and fixed income mutual funds, REITs, commodities and money market funds. There is also an investment in a hedge fund of funds.

(5) Property, Plant and Equipment

Property, plant and equipment is as follows (in thousands):

	September 30	
	2015	2014
Land, buildings and improvements	$ 1,617,826	1,562,723
Equipment	1,264,862	1,267,165
Assets recorded under capital leases	57,345	70,262
	2,940,033	2,900,150
Less accumulated depreciation and amortization	1,551,286	1,444,576
Property, plant, and equipment, net	1,388,747	1,455,574
Construction in progress (note 8 (n))	157,101	66,043
	$ 1,545,848	1,521,617

(6) Endowment

The System's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor- imposed restrictions.

The System has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment related to the System's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund

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that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

Changes in endowment net assets for the year ended September 30, 2015, are as follows (in thousands):

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets at beginning of year	$ 47,947	73,543	80,856	202,346
Investment returns:				
Investment (loss) income	(865)	151	—	(714)
Net appreciation (realized and unrealized)	452	3,278	(1)	3,729
Total investment returns	(413)	3,429	(1)	3,015
Appropriation of endowment assets for expenditure	(2,820)	(7,826)	(1,392)	(12,038)
Other changes:				
Contributions	—	6,130	15,175	21,305
Change in value of beneficial interest trusts	—	—	(1,282)	(1,282)
Endowment net assets at end of year	$ 44,714	75,276	93,356	213,346

(Continued)

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

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets at beginning of year	$ 43,893	71,899	70,179	185,971
Investment returns:				
Investment (loss) income	(554)	688	—	134
Net appreciation (realized and unrealized)	7,156	10,677	46	17,879
Total investment returns	6,602	11,365	46	18,013
Appropriation of endowment assets for expenditure	(2,548)	(10,942)	—	(13,490)
Other changes:				
Contributions	—	1,221	5,373	6,594
Change in value of beneficial interest trusts	—		5,258	5,258
Endowment net assets at end of year	$ 47,947	73,543	80,856	202,346

	September 30	
	2015	2014
	(In thousands)	
The portion of perpetual endowment funds subject to a time restriction under CUPMIFA:		
Without purpose restrictions	$ 8,666	8,357
With purpose restrictions	66,610	65,186
Total endowment funds classified as temporarily restricted net assets	$ 75,276	73,543

(a) Return Objectives and Risk Parameters

The System has adopted investment and spending policies for endowed assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that over time provide a rate of return that meets the spending policy objectives adjusted for inflation. Actual returns in any given year may vary from this amount.

(b) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and

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current yield (interest and dividends) The System targets a diversified asset allocation that place greater emphasis on equity-based investments to achieve its long-term rate of return objectives within prudent risk constraints.

(c) Spending Policy and How the Investment Objectives Relate to Spending Policy

BH and Y-NHH have a policy of appropriating for distribution each year based on a combination of the weighted average of the prior year spending adjusted for inflation and the amount that would have been spent using a predetermined percentage (5.25% for Y-NHH and 5.0% for BH) of the current market value of the endowment fund. In establishing this policy, BH and Y-NHH have considered the long-term expected return on its endowment.

GHCS has a policy of appropriating funds for distribution each year based on the greater of $800,000 or 5% of the average market value of its investments for the prior 12 quarters. In establishing this policy, GHCS considered the long-term expected return on its endowment.

From time to time, the fair value of assets associated with permanently restricted endowment funds may fall below the level determined under Connecticut UPMIFA.

(7) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes (in thousands):

	September 30	
	2015	2014
Specific hospital operations, teaching, research, indigent and free care, and training	$ 125,467	123,058
Plant improvement and expansion	22,101	18,654
	$ 147,568	141,712

Permanently restricted net assets of approximately $93.4 million and $80.9 million at September 30, 2015 and 2014, respectively, consist of donor restricted endowment principal and beneficial interests in perpetual trusts. The income generated from permanently restricted funds is expendable for purposes designated by donors, including research, free care, health care, and other services.

(Continued)

(8) Debt

A summary of long-term debt and capital lease obligations is as follows (in thousands):

	September 30 2015	2014
Revenue bonds financed with the State of Connecticut Health and Educational Facilities Authority (CHEFA):		
Tax-exempt		
Series C (Greenwich Hospital) maturing July 1, 2026 (variable interest rates with an average rate of approximately 3.22% for fiscal 2015) (a)	$ 35,105	37,710
Series D (BH), maturing July 1, 2025, fixed interest ranging from 2.00% to 5.00% (b)	29,780	32,110
Series E (BH), 3.47% effective interest rate (c)	34,982	35,971
Series N (Y-NHH), 4.27% effective interest rate (d)	44,815	44,815
Series O (Y-NHH), 2.84% effective interest rate (d)	50,000	50,000
Series A (Y-NHH), 3.77% effective interest rate (e)	102,300	102,300
Series B (Y-NHH), 2.30% effective interest rate (e)	168,275	168,275
Series C (Y-NHH), 3.11% effective interest rate (f)	77,235	83,625
Series D (Y-NHH), 3.68% effective interest rate (f)	108,275	108,275
Series E (Y-NHH), 3.47% effective interest rate (c)	43,728	44,963
Series 2013 taxable bonds (Y-NHH), 4.13% effective rate (g)	132,000	132,000
Series 2014 taxable bonds (Y-NHH), 4.37% effective rate (j)	50,725	50,725
Loans payable:		
Note payable (Y-NHH), 5.4% effective interest rate (i)	8,309	—
Term loan – November 2010 (BH), 3.22% fixed interest rate (j)	3,674	4,317
Term loan June, 2012 (BH), 1.66% fixed interest rate (k)	1,977	3,082
Note payable (BH), 6.9% fixed interest rate (l)	2,101	6,250
Capital lease obligation at an imputed interest of 6.0% – November 2010, (Y-NHH) (m)	48,853	50,682
Capital lease obligation (BH) (n)	60,774	20,207
Capital lease obligations (York), at varying rates of imputed interest of 6.25%, collateralized by leased equipment	—	3,119
	1,002,908	978,426
Add premium	29,332	32,139
Less current portion	(18,931)	(22,456)
	$ 1,013,309	988,109

a) On May 6, 2008, CHEFA issued $53.6 million of its Revenue Bonds on behalf of GH, Series C, consisting of variable rate demand bonds. The proceeds were utilized for the refunding of outstanding revenue bonds. Principal amounts related to the Series C revenue bonds mature annually

(Continued)

each July 1 through fiscal 2026. The Series C bonds are required to be supported by a letter of credit, which has been executed with Bank of America. The letter of credit is scheduled to expire in May 2018.

b) In May 2012, the BH Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were held in an escrow account and used for the retirement of the outstanding tax-exempt revenue bonds and to pay for certain bond issuance costs of approximately $0.8 million. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying consolidated statement of operations and changes in net assets.

c) In June 2014, the Obligated Group issued Series E revenue bonds totaling approximately $80.9 million. The Series E revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.47%. The proceeds included a premium of approximately $10.1 million. The proceeds were used to finance costs for the installation of machinery and equipment and various renovations and improvements to the infrastructures at BH and Y-NHH. The premium is being amortized and included in capitalized interest. Upon completion of these projects, the bond premium will be amortized as interest expense in the accompanying consolidated statement of operations and changes in net assets.

d) In January 2013, Y-NHH issued Series N and Series O revenue bonds totaling approximately $100.0 million. The Series N revenue bonds were issued as fixed rate bonds with an effective interest rate of 4.27%. The Series O revenue bonds were issued as VRDBs with an effective interest rate of 2.84% at September 30, 2013. The proceeds, including a premium of approximately $5.2 million for the Series N revenue bonds, were used to refinance a line of credit. The bond premium is being amortized as interest expense in the accompanying consolidated statements of operations and changes in net assets.

e) In June 2014, the Obligated Group issued Series A revenue bonds totaling approximately $102.3 million and Series B revenue bonds totaling approximately $168.3 million. The Series A revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.77%. The Series B revenue bonds were issued as floating rate notes with an effective interest rate of 2.30%. The proceeds from the Series A revenue bonds, including a premium of approximately $14.8 million, and the proceeds from the Series B revenue bonds, were used to defease certain Y-NHH revenue bonds. The bond premium is being amortized as interest expense using the effective interest method in the consolidated statements of operations and changes in net assets.

f) In June 2014, the Obligated Group issued Series C revenue bonds totaling approximately $83.6 million and Series D revenue bonds totaling approximately $108.3 million. The Series C revenue bonds were issued as VRDBs with an effective interest rate of 3.11%. The proceeds from the Series C issuance were used to refund certain Y-NHH revenue bonds. The Series D revenue bonds were issued as VRDBs with an effective interest rate of 3.68%. The proceeds from the Series D issuance were used to refund certain Y-NHH revenue bonds.

(Continued)

As a result of the above transactions, Y-NHH incurred a loss on extinguishment of debt totaling approximately $32.6 million during the fiscal year ended September 30, 2014.

g) In January 2013, Y-NHH issued Series 2013 taxable bonds totaling approximately $132.0 million. The Series 2013 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.13%. The proceeds were used to finance and refinance the costs of certain projects and activities in furtherance of Y-NHH's tax exempt purpose, including the refinancing of certain existing indebtedness.

h) In June 2014, the Obligated Group issued Series 2014 taxable bonds totaling approximately $50.7 million. The Series 2014 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.37%. The proceeds were used to finance the costs of certain projects and activities in furtherance of the System's tax-exempt purpose.

i) In connection with the May 2015 purchase of a parcel of real estate, Y-NHH assumed a note payable with an effective interest rate of 5.46%. The note payable has a term of three years and matures in May 2017.

j) In November 2010, BH obtained a $6.6 million term loan from the CHEFA. The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to the infrastructure of BH. The loan is to be paid in monthly installments over ten years at a fixed interest rate of 3.22%.

k) In June 2012, BH obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over five years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

l) In December 2012, in connection with the purchase of a radiology practice, BH entered into a note payable with the seller in the amount of $15.1 million. The note is to be repaid in monthly installments over five years.

m) Y-NHH entered into a contract to lease space in a building adjacent to Y-NHH. Y-NHH's rental obligation commenced in December 2009. This capital lease has a term of 20 years from the commencement date with the option to extend the lease for four successive terms of ten years. Rental payments increase by 5% every five years. Y-NHH is also subject to additional rent for its share of expenses, as defined in the contract. Y-NHH has the option to purchase the property at the end of the fifth, tenth, or twentieth year or at the end of each of the first three ten-year extension periods.

n) BH entered into an arrangement with a developer to construct a 120,000 square foot medical office building and adjacent garage in Fairfield County, CT. The arrangement contains provisions for BH to begin leasing the property for a 25-year period beginning in April 2016. Management has evaluated the terms of the arrangement and will be recording the project as a capital lease. Upon completion, the total estimated capital lease obligation will approximate $102.0 million. At September 30, 2015 and 2014, construction costs totaled approximately $60.8 million and $20.2 million, respectively, and are included in construction in process in the accompanying consolidated balance sheet.

(Continued)

Required monthly payments on the revenue bonds by the System to a trustee are in amounts sufficient to provide for the payments of principal, interest, and sinking fund installments, as well as required payments to certain reserve funds held by the trustee, in accordance with the terms of the agreements, and certain other annual costs of CHEFA.

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that, in specified circumstances, earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the Federal government.

The GH Series C, Y-NHH Series C, Y-NHH Series D and Y-NHH Series O VRDBs are required to be supported by letter of credit facilities (LOCs) which have been executed with three financial institutions. These LOCs are scheduled to expire on May 7, 2018, December 31, 2017, June 23, 2017, and February 14, 2018, respectively.

The Hospitals maintain the bank letters of credit to ensure the availability of funds to purchase any bonds tendered by bondholders that the remarketing agents are unable to remarket to new bondholders. Draws related to such tenders under the letters of credit will become Bank Bonds. As Bank Bonds, they can still be remarketed by the remarketing agents. If not remarketed successfully as Bank Bonds, the Hospitals will have the opportunity to refinance them, depending upon which bond series, during a period of from 90 to 367 days from initial draw date. If the Bank Bonds are not refunded and remain outstanding exceeding such period from initial draw date, GH will be required to make monthly payments over three years and Y-NHH will be required to make quarterly payments over five years. There were no draws under the letters of credit as of September 30, 2015.

The terms of the various financing arrangements between CHEFA and the System, the financial institutions providing the LOCs and the System, and the bank and the System provide for financial covenants regarding the System's debt service coverage ratio, liquidity ratio, and debt to capitalization ratio, among others.

Assets recorded under the capital lease obligations totaled approximately $118.1 million and $90.4 million as of September 30, 2015 and 2014, respectively. Accumulated depreciation for the capital lease obligations totaled approximately $10.1 million and $19.3 million at September 30, 2015 and 2014, respectively.

Capitalized interest at September 30, 2015 and 2014 totaled approximately $30.9 million and $29.9 million, respectively.

For the years ended September 30, 2015 and 2014, the System paid approximately $23.4 million and $25.5 million, respectively, for interest related to long-term debt and capital lease obligations.

Scheduled principal payments on all long-term debt, including capital lease obligations, are as follows (in thousands):

	Debt	Capital lease obligations
Year ending September 30:		
2016	$ 16,472	8,633
2017	25,897	13,052
2018	15,829	13,052
2019	17,601	13,053
2020	18,290	13,235
Thereafter	799,193	177,133
	$ 893,282	238,158
Less interest		(128,949)
		$ 109,209

The following table summarizes the System's interest rate swap agreements (in thousands):

Swap type	Expiration date	System receives	System pays	Notional amount at September 30 2015	Notional amount at September 30 2014
Series O – fixed to floating	July 1, 2053	67% of LIBOR	2.84%	$ 50,000	50,000
Series B – fixed to floating	July 1, 2049	67% of LIBOR	2.31%	100,965	100,965
Series B – fixed to floating	July 1, 2049	LIBOR	2.29%	67,310	67,310
Series C – fixed to floating (Y-NHH)	July 1, 2025	LIBOR	3.11%	51,592	55,861
Series D – fixed to floating	July 1, 2036	LIBOR	3.68%	44,505	44,505
Series C – fixed to floating (Greenwich Hospital)	July 1, 2026	LIBOR	3.10%	24,000	25,700
				$ 338,372	344,341

The swap agreements fix the interest rate at a level viewed as desirable by the System. Such agreements expose the System to credit risk in the event of nonperformance by the counterparties, some of which is collateralized. At September 30, 2015 and 2014, the fair value of the swap agreements based on current interest rates was approximately $54.7 million and $36.1 million, respectively, representing a payable to the counterparties (recorded in other long-term liabilities).

For the Y-NHH Series O swap, there was an unfavorable change in fair value of $0.7 million and $0.6 million for the years ended September 30, 2015 and 2014, respectively, which was recorded in excess of revenue over expenses. No collateral was required under the Series O swap agreement for the years ended September 30, 2015 and 2014.

(Continued)

In June 2014, Y-NHHSC, on behalf of the Obligated Group, entered into LIBOR swap rate locks with two counter parties (the Series B swaps). For the Series B swaps, there was an unfavorable change in fair value of approximately $13.2 million and $7.1 for the years ended September 30, 2015 and 2014, respectively, which was recorded in excess of revenue over expenses. No collateral was required under the Series B swap agreements for the years ended September 30, 2015 and 2014.

For the Y-NHH Series C swap, there was a favorable change in fair value of approximately $0.5 million and $1.0 million, respectively, for the years ended September 30, 2015 and 2014 which was recorded in excess of revenue over expenses. No collateral was required under the Y- NHH Series C swap agreement for the years ended September 30, 2015 and 2014.

For the Y-NHH Series D swap, there was an unfavorable change in fair value of approximately $4.2 million and $2.2 million for the years ended September 30, 2015 and 2014, respectively, which was recorded in excess of revenue over expenses. No collateral was required under the Series D swap agreement for the years ended September 30, 2015 and 2014.

In connection with its Series C revenue bonds, GH entered into an interest rate swap agreement (the GH swap) with a financial institution. Under the terms of the GH swap, GH will receive variable interest payments and pay fixed interest payments on a notional value of approximately $24.0 million.

For the GH swap, there was a favorable change in fair value of approximately $0.3 million for the years ended September 30, 2015 and 2014 which was recorded in excess of revenue over expenses. The terms of the swap agreement have not required GH to collateralize funds to be held by the financial institution as of September 30, 2015 and 2014.

(9) Pensions and Postretirement Benefits

The System has qualified and nonqualified defined benefit pension plans covering substantially all employees and executives. The benefits provided are based on age, years of service, and compensation. The System's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974.

The System also sponsors contributory 403(b) plans and 401(k) plans covering substantially all employees. Employer contributions for certain 403(b), made to a matching 401(a) plan, and 401(k) plans are determined based on employee contributions and years of service. The System contributed approximately $62.0 million and $51.3 million for the years ended September 30, 2015 and 2014, respectively. Amounts due to the defined contribution plans amounted to $28.7 million and $21.7 million at September 30, 2015 and 2014, respectively, and is included in accrued expenses in the accompanying balance sheets.

Y-NHH maintains a Section 457 Nonqualified deferred compensation plan. Contributions are made on a pre-tax basis. The balances recorded at September 30, 2015 and 2014 in other assets and other long-term liabilities were approximately $34.4 million and $32.5 million, respectively.

On June 30, 2006, BH froze its defined benefit plan. On October 1, 2006, BH instituted a defined contribution plan.

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Effective as of December 31, 2006, GH amended its defined benefit pension plan to freeze benefits for employees who were under age 50 with less than five years of service. Effective January 1, 2007, GH began providing a matching contribution and a length of service contribution, in addition to its incentive contribution, for its defined contribution plan for all employees no longer accruing benefits under the defined benefit plan. Employees who were age 50 or older with five years of service continue to accumulate benefits under the defined benefit plan, and do not participate in the defined contribution plan.

Effective September 30, 2013, the Y-NHH qualified defined benefit pension plan and the 401(a) plan were amended to reduce the percentage of compensation contributed by Y-NHH to the qualified defined benefit pension plan and to increase the percentage of compensation contributed by Y-NHH to the 401(a) plan for the plan years commencing after December 1, 2013.

Y-NHH and GH also provide certain health care and life insurance benefits upon retirement to substantially all their employees. Y-NHH's and GH's policy is to fund these annual costs as they are incurred from the general assets of Y-NHH and GH. The estimated cost of these postretirement benefits is actuarially determined and accrued over the employees' service periods.

Included in unrestricted net assets at September 30, 2015 and 2014 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of approximately $20.4 million and $22.4 million, respectively, and unrecognized actuarial losses of approximately $350.1 million and $308.0 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2016 are approximately $2.0 million and $17.5 million, respectively.

(Continued)

The following table sets forth the change in benefit obligations, change in the plans' assets, and the reconciliation of underfunded status of the System's defined benefit plans as of September 30, 2015 and 2014 (in thousands):

	Defined benefit pension plans		Postretirement benefits plan	
	2015	2014	2015	2014
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 908,910	804,718	78,136	67,904
Service cost	23,106	24,830	3,789	3,617
Interest cost	37,775	38,108	3,393	3,270
Plan amendments	—	—	—	(577)
Actuarial (gain) loss	(5,176)	79,636	(14,067)	5,413
Benefits paid	(42,326)	(38,382)	(1,670)	(1,491)
Benefit obligation at current measurement date	922,289	908,910	69,581	78,136
Change in plans' assets:				
Fair value of assets at prior measurement date	663,472	605,715	—	—
Actual return on plans' assets	(28,974)	45,364	—	—
Employer contributions	57,663	50,775	1,670	1,491
Benefits paid	(42,326)	(38,382)	(1,670)	(1,491)
Fair value of plans' assets at current measurement date	649,835	663,472	—	—
Accrued benefit cost	$ (272,454)	(245,438)	(69,581)	(78,136)

The actuarial loss in 2015 primarily relates to changes in the discount rate and mortality table used to measure the benefit obligation and the actuarial gain in 2014 primarily relates to changes in the discount rate.

(Continued)

The accrued benefit cost included in the consolidated balance sheets includes the following (in thousands):

	Accrued pension and postretirement obligations		Fair value of plans' assets	
	2015	2014	2015	2014
Y-NHH and Subsidiaries – accrued pension and postretirement obligations	$ (230,944)	(233,609)	340,669	347,238
Bridgeport Hospital – accrued pension and postretirement obligations	(68,304)	(58,281)	142,986	145,156
Greenwich Hospital – accrued pension and postretirement obligations	(42,787)	(31,684)	166,180	171,078
	$ (342,035)	(323,574)	649,835	663,472

Benefit Obligation and Assumptions

The projected benefit obligation, accumulated benefit obligation, and fair value of the plans' assets were as follows (in thousands):

	September 30	
	2015	2014
Projected benefit obligation	$ (922,289)	(908,910)
Accumulated benefit obligation	(919,111)	(829,877)
Fair value of plans' assets	649,835	663,472

As of September 30, 2015 and 2014, the underfunded status of the qualified defined benefit pension plans was approximately $222.2 million and $197.6 million, respectively, and that of the nonqualified defined benefit pension plan was approximately $50.2 million and $47.9 million, respectively. Additionally, there are assets limited as to use of approximately $78.8 million and $77.9 million, which are available to satisfy the obligations of the nonqualified defined benefit pension plan at September 30, 2015 and 2014, respectively.

The net periodic benefit cost for the years ended September 30, 2015 and 2014 is as follows (in thousands):

	Defined benefit pension plans		Postretirement benefits plan	
	2015	2014	2015	2014
Service cost	$ 23,106	24,830	3,789	3,617
Interest cost	37,775	38,108	3,392	3,270
Expected return on plan assets	(50,700)	(46,357)	—	—
Amortization of prior service cost	(1,951)	(2,029)	(37)	86
Recognized net actuarial loss	18,306	12,147	—	—
Net periodic benefit cost	$ 26,536	26,699	7,144	6,973

Weighted average assumptions used to determine benefit obligations at September 30, 2015 and 2014 are as follows:

	Defined benefit pension plans		Postretirement benefits plan	
	2015	2014	2015	2014
Discount rate for determining benefit obligations at year-end, qualified plan	4.3–4.4%	4.2–4.3%	4.5%	4.4%
Discount rate for determining benefit obligations at year-end, nonqualified plan	4.3%	4.4%	—	—
Rate of compensation increase	2.5–4.0%	2.5–5.0%	—	—

Weighted average assumptions used to determine net periodic benefit cost for the years ended September 30, 2015 and 2014 are as follows:

	Defined benefit pension plans		Postretirement benefits plan	
	2015	2014	2015	2014
Discount rate for determining net periodic benefit cost at year-end, qualified plan	4.2–4.3%	4.8–4.9%	4.4%	4.9%
Discount rate for determining net periodic benefit cost at year-end, nonqualified plan	4.3–4.4%	4.9%	—	—
Expected rate of return on plan assets	6.75–7.75	6.75–7.75	—	—
Rate of compensation increase	2.5–5.0%	3.5–5.0%	—	—

For measurement purposes relating to the postretirement benefits plan, a 4.0% and 5.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2015 and fiscal 2014, respectively. Rates are assumed to decline to 4.5% through fiscal 2016.

(Continued)

Assumed health care cost trend rate assumptions have a significant effect on the amounts reported. A 1% change in the assumed health care cost trend rate would have the following effects (in thousands):

	1% increase	1% decrease
Effect on total of service and interest cost components	$ 50	(59)
Effect on postretirement benefit obligations	335	(381)

The asset allocation of the System's pension plans at September 30, 2015 and 2014, on a combined basis, was as follows:

Asset category	Target allocation 2016	Percentage of assets 2015	2014
Equity securities	42–46	46%	44%
Debt securities	17–21	22	22
All other assets	33–41	32	34
		100%	100%

(Continued)

Financial assets carried at fair value, as of September 30, 2015, are classified in the following tables (see note 15 for description) (in thousands):

		Investments measured at NAV	Investments classified in the fair value hierarchy Level 1	Total
Money market funds	$	—	30,477	30,477
U.S. equity securities		75,363	68,016	143,379
International equity securities		96,995	58,733	155,728
Fixed income:				
U.S. government		28,183	36,989	65,172
Corporate debt		—	15,921	15,921
International government		10,776	30,504	41,280
Commodities		10,645	—	10,645
Private equity		17,043	—	17,043
Hedge funds:				
Absolute return		29,438	—	29,438
Multi strategy/other		113,206	—	113,206
Long/short equity		10,453	—	10,453
Real estate		17,093	—	17,093
Total investments	$	409,195	240,640	649,835

(Continued)

Financial assets carried at fair value, as of September 30, 2014, are classified in the following tables (see note 15 for description) (in thousands):

	Investments measured at NAV	Investments classified in the fair value hierarchy Level 1	Total
Money market funds	$ —	21,854	21,854
U.S. equity securities	56,742	87,735	144,477
International equity securities	61,143	77,642	138,785
Fixed income:			
U.S. government	42,800	17,018	59,818
Corporate debt	—	50,530	50,530
International government	9,489	32,038	41,527
Commodities	27,993	—	27,993
Private equity	15,267	—	15,267
Hedge funds:			
Absolute return	30,083	—	30,083
Multi strategy/other	104,755	—	104,755
Long/short equity	5,450	—	5,450
Real estate	19,444	3,489	22,933
Total investments	$ 373,166	290,306	663,472

There are no pension investments that are measured at fair value based on Level 2 and Level 3 inputs at September 30, 2015 or 2014.

The System's investment strategy for its pension assets balances the liquidity needs of the pension plans with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocation of the investment pool to various sectors of the markets is designed to reduce volatility in the portfolio.

The System's pension portfolios return assumption of 7.75% is based on the targeted weighted- average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

(Continued)

The future cash flows of the System relative to retirement benefits are expected to be as follows (in thousands):

	Defined benefit pension plans	Postretirement benefit plan
Estimated benefit payments related to years ending September 30:		
2016	$ 43,852	2,131
2017	46,301	2,399
2018	49,597	2,606
2019	52,417	2,835
2020	56,199	3,073
2021 to 2025	319,889	20,305

The System expects to make contributions of approximately $51.7 million for pension benefits and approximately $2.1 million for postretirement benefits in fiscal 2016.

(10) Professional Liability Insurance

In 1978, Y-NHH and a number of other academic medical centers formed The Medical Centre Insurance Company Ltd. (the Captive) to insure for professional and comprehensive general liability risks. In 1997, the Captive formed MCIC Vermont, Inc. (MCIC) to write direct insurance for the professional and general liability risks of the shareholders. Since 1997, the Captive has acted as a reinsurer for varying levels of per claim limit exposure. MCIC has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on claims made coverage, and are actuarially determined based on actual experience of the System, the Captive, and MCIC.

Y-NHH controls less than 20% of the Class A stock of MCIC; however, for accounting purposes the investment in the insurance companies is recorded on the equity method because of contractual agreements.

The System entities participate in the Y-NHH insurance program as additional insureds. All System entities initially pay premiums to Y-NHHSC. Y-NHHSC generally assumes the responsibility for ensuring that all the System members pay all premiums owed by them to MCIC. Y-NHHSC manages MCIC's operations for all other System members.

MCIC's policy is to establish retrospective-related premiums for its shareholders equivalent to estimated losses and general and administrative expenses, less estimated investment income, so that its results of operations are breakeven each year. The System accrues premiums as incurred.

The estimate for claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $180.4 million and $179.4 million at September 30, 2015 and 2014, respectively for the System. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $69.1 million and $64.0 million for the System at September 30, 2015

(Continued)

and 2014, respectively, and is included in professional insurance liabilities in the accompanying consolidated balance sheets at the actuarially determined present value of approximately $63.0 million and $57.6 million, respectively, based on a discount rate of 2.0% and 2.50% for the years ended September 30, 2015 and 2014, respectively.

The System has recorded related insurance recoveries receivable of approximately $117.6 million and $121.9 million at September 30, 2015 and 2014, respectively, in consideration of the expected insurance recoveries for the total discounted claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

Lukan, the Y-NHH sponsored professional liability program, continues to manage all incidents and claims reported to Lukan prior to the acquisition of HSR, as well as extending professional liability coverage for post-acquisition risks to certain affiliated community clinicians.

Prior to the 2012 acquisition of HSR, Caritas provided excess professional liability and general liability insurance to HSR and their employed clinicians. Caritas continued to manage all incidents and claims reported prior to the acquisition of HSR and are included in the amounts above.

Caritas and Lukan have recorded the undiscounted estimate for claims-made professional liabilities, and the estimate for incidents that have been incurred but not reported aggregated approximately $29.6 million at September 30, 2014, respectively, and are included in professional liabilities in the accompanying consolidated statements of financial position.

In October 2014, Y-NHH disposed of its interest in Caritas and Lukan (the Captives) through a novation agreement with Medical Centre Insurance Company, Ltd (MCIC) for a total price of approximately $40.2 million. The novation agreement assigns and transfers all of the Captives' past, present and future rights, risks, liabilities and obligations, and transfers substantially all of the assets of the Captives to MCIC. Y-NHH dissolved the Captives in the fiscal year ended September 30, 2015.

The System's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the System and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

(Continued)

(11) Commitments and Contingencies

(a) Leases

The System leases various equipment and properties under several noncancelable operating leases that range in terms. The System is responsible for operating expenses, as defined, during the lease terms. Future minimum lease payments under these leases are as follows (in thousands):

2016	$	43,537
2017		37,894
2018		32,653
2019		30,510
2020		14,611
Thereafter		137,229
	$	296,434

The System incurred rent expense under these leases of approximately $51.3 million and $33.0 million for the years ended September 30, 2015 and 2014, respectively.

(b) Cancer Hospital

Y-NHH has a shared facilities and services agreement with the University in connection with the Cancer Hospital which is recorded as deferred revenue. Deferred revenue, from this agreement, at September 30, 2015 and 2014 was approximately $42.7 million and $44.0 million, respectively.

(c) Inpatient Rehabilitation Unit Agreement

During September 2014, Y-NHH entered into an agreement with another health care provider to provide a framework for implementing programs in a manner that is consistent with the charitable mission of each organization and the communities they serve. Under the terms of the agreement, Y-NHH will utilize beds at the health care provider's location under a lease arrangement to provide inpatient rehabilitation services to its patients. In addition, Y-NHH will furnish an $8.0 million term loan to the health care provider.

(d) Litigation

Various lawsuits and claims arising in the normal course of operations are pending, or are in progress against the System. Such lawsuits and claims are either specifically covered by insurance as explained in note 10, or are deemed immaterial. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or changes in net assets of the System.

The System has received requests for information from certain governmental agencies relating to, among other things, patient billings. These requests cover several prior years relating to compliance with certain laws and regulations. Management is cooperating with those governmental agencies in their information requests and ongoing investigations. The ultimate results of those investigations, including the impact on the System, cannot be determined at this time.

(e) Affiliation Agreement

In July 2015, YNHHS entered into an affiliation agreement with Lawrence + Memorial Corporation and Subsidiaries (L+M) and its medical foundation. Under the affiliation agreement, L+M and Westerly Hospital would each continue to operate as separate Hospitals under YNHHS with YNHHS committing to make investments for various clinical specialties, primary care, and other strategic investments. During the regulatory approval process, the Connecticut Office of Health Care Access (OHCA), and the Office of the Attorney General, along with the State of Rhode Island and the Federal Trade Commission will review the proposed transaction. Upon completion of the regulatory review process, and upon receipt of the required regulatory approvals, the proposed transaction will be completed.

(12) Functional Expenses

The System provides general acute health care services to residents within its geographic areas. Net expenses related to providing these services are as follows (in thousands):

	Year ended September 30	
	2015	2014
Health care services	$ 2,589,819	2,374,449
General and administrative	852,805	850,125
	$ 3,442,624	3,224,574

(13) Other Revenue

Other revenue consisted of the following (in thousands):

	Year ended September 30	
	2015	2014
Cafeteria and vending	$ 14,673	13,676
Contributions	3,406	5,495
Parking income	9,241	7,902
Net assets released from restrictions for operations	21,196	13,178
Net assets released from restrictions for free care	596	613
Net assets released from restrictions for medical research and clinical programs	881	5,269
Grants	20,168	19,533
Rental income	3,304	3,896
Electronic health records incentive payment	3,973	9,231
Foundation distributed income	2,820	2,532
Other	29,337	25,669
	$ 109,595	106,994

(Continued)

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2012 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

The System uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the System is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. Medicare EHR incentive payment revenue was approximately $4.0 million and $7.4 million for the years ended September 30, 2015 and 2014, respectively, and Medicaid EHR incentive payment revenue was approximately $1.8 million for the year ended September 30, 2014. EHR incentive payment revenue is included in other revenue in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the System's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

(14) Non-operating Gains and Losses, Net

Nonoperating gains and losses consisted of the following (in thousands):

	Year ended September 30	
	2015	2014
Income from investments, donations and other, net	$ 5,099	3,103
Income attributable to noncontrolling interest	(5,522)	(5,992)
Change in unrealized gains and losses on investments	14,536	86,913
Change in fair value of swap, including counterparty payments	(29,678)	(17,204)
Loss on refunding of long-term debt	—	(32,631)
	$ (15,565)	34,189

(Continued)

Contributions received consisted of the following (in thousands):

	2015	2014
Unrestricted contributions	$ 4,360	3,966
Temporarily restricted contributions	28,157	24,185
Permanently restricted contributions	15,176	5,372
Total contributions	47,693	33,523
Less fundraising costs	(9,402)	(9,473)
	$ 38,291	24,050

During 2015, the Attorney General approved the transfer of certain philanthropic funds to Y-NHH from the Hospital of Saint Raphael and its Foundation related to Y-NHH's acquisition of the Hospital of Saint Raphael in FY 2012. The funds approved for transfer are included as contributions to temporarily restricted net assets and permanently restricted net assets totaling $8.8 million and $11.5 million, respectively, for the year ended September 30, 2015.

(15) Fair Values of Financial Instruments

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers nonperformance risk in the overall assessment of fair value

ASC No. 820-10 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The inputs are assigned the lowest priority.

(Continued)

Financial assets carried at fair value as of September 30, 2015 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30			
	Investments measured at NAV	Investments classified in the fair value hierarchy		
		Level 1	Level 2	Total
Cash and cash equivalents	$ —	194,946	—	194,946
Money market funds	—	130,047	—	130,047
Private equity	7,489	—	—	7,489
U.S. equity securities	31,174	73,618	—	104,792
International equity securities	47,463	58,013	—	105,476
Fixed income:				
U.S. government	288,508	129,327	—	417,835
Corporate bonds	—	4,945	—	4,945
International government	42,470	55,237	—	97,707
Hedge Funds:				
Absolute return	21,909	—	—	21,909
Long/short equity	6,936	—	—	6,936
Perpetual trusts	32,649	—	—	32,649
Commodities	1,595		—	1,595
Real estate	8,241	37	—	8,278
Interest in Yale University endowment pool	855,264	—	—	855,264
Total investments	$ 1,343,698	646,170	—	1,989,868
Liabilities:				
Interest rate swaps	$ —	—	(54,707)	(54,707)

(Continued)

Financial assets carried at fair value as of September 30, 2014 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30			
	Investments measured at NAV	Investments classified in the fair value hierarchy		
		Level 1	Level 2	Total
Cash and cash equivalents	$ —	161,059	—	161,059
Money market funds	—	212,529	—	212,529
Private equiy	8,272	—	—	8,272
U.S. equity securities	31,816	65,919	—	97,735
International equity securities	44,107	72,528	—	116,635
Fixed income:				
U.S. government	153,973	147,701	—	301,674
Corporate bonds	—	27,097	—	27,097
Mortgage backed securities	—	24		24
International government	34,321	51,839	—	86,160
Hedge Funds:				
Absolute return	22,310	—	—	22,310
Long/short equity	2,460	—	—	2,460
Perpetual trusts	34,296	—	—	34,296
Commodities	2,640	76	—	2,716
Real estate	11,241	44	—	11,285
Interest in Yale University endowment pool	752,731	—	—	752,731
Total investments	$ 1,098,167	738,816	—	1,836,983
Liabilities:				
Interest rate swaps	$ —	—	(36,134)	(36,134)

The amounts reported in the tables as detailed above do not include assets invested in the System's defined benefit pension plan. The beneficial interest in remainder trust listed in the above tables are included in other assets. The interest rate swaps listed above are classified in the accompanying consolidated balance sheets as "other long-term liabilities" at September 30, 2015 and 2014. There are no assets or liabilities that are measured at fair value based on Level 3 inputs at September 30, 2015 or 2014.

(Continued)

The following is a summary of total investments as of September 30, 2015, with restrictions to redeem the investments at the measurement date, any unfunded capital commitments and investment strategies of the investees (in thousands):

Description of investment	Carrying value	Unfunded commitments	Redemption frequency	Notice period	Funds availability
Private equity	$ 7,489	$ 4,150	N/A	N/A	N/A
Global equity	33,887	N/A	30 days	2 years	N/A
Hedge funds:					
Absolute return	11,494	N/A	N/A	N/A	N/A
Long/short equity	6,936	N/A			
Real estate	6,781	2,295	N/A	N/A	N/A
Commodities	82	N/A	N/A	N/A	N/A
	$ 66,669				

The fair value of long-term debt was approximately $934.5 million and $934.3 million at September 30, 2015 and 2014, respectively. The fair value of the capital leases was approximately $112.5 million and $74.7 million at September 30, 2015 and 2014, respectively.

(16) Subsequent Events

Management has evaluated subsequent events through December 23, 2015, which is the date the consolidated financial statements were issued. No other events have occurred that require disclosure or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidating Balance Sheet

September 30, 2015

(In thousands)

Assets	Yale-New Haven Health Services Corporation	NEMG	Yale-New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
Current assets										
Cash and cash equivalents	$ 24,322	8,523	103,628	26,867	—	163,340	31,360	2,071	(1,825)	194,946
Short-term investments	10,116		980,087	97,808	—	1,088,011	72,659	—	—	1,160,670
Accounts receivable for services to patients, less allowance for uncollectible accounts	—	16,401	293,352	54,662	—	364,415	41,279	5,017	(5,017)	405,694
Professional liabilities insurance recoveries receivable – current portion	—	—	19,852	6,009	—	25,861	6,309	—	—	32,170
Other current assets	111,267	2,923	110,628	18,059	(147,426)	95,451	13,857	7,569	(25,337)	91,540
Amounts on deposit with trustee in debt service fund	—	—	4,786	679	—	5,465	—	—	—	5,465
Total current assets	145,705	27,847	1,512,333	204,084	(147,426)	1,742,543	165,464	14,657	(32,179)	1,890,485
Assets limited as to use			96,888	1,160		98,048	108,271	—	—	206,319
Long-term investments	11,201	—	289,434	55,382	—	356,017	64,783	—	—	420,800
Deferred financing costs, less accumulated amortization	9,608	—	8,909	1,196	(9,608)	10,105	389	—	—	10,494
Professional liabilities insurance recoveries receivable – noncurrent	—	—	57,025	18,161	—	75,186	10,208	—	—	85,394
Goodwill	52,050	267	44,774	17,217	—	114,308	—	—	—	114,308
Other assets	952,268	2,081	169,842	24,439	(943,369)	205,261	12,522	10,741	(17,369)	211,155
Property, plant, and equipment, net	133,699	5,230	865,507	142,041	—	1,146,477	242,270	6,372	(6,372)	1,388,747
Construction in progress	1,647	55	80,774	69,785	—	152,261	4,840	—	—	157,101
	135,346	5,285	946,281	211,826	—	1,298,738	247,110	6,372	(6,372)	1,545,848
Total assets	$ 1,306,178	35,480	3,125,486	533,465	(1,100,403)	3,900,206	608,747	31,770	(55,920)	4,484,803

See accompanying notes to consolidated financial statements

DOHP0271A52

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidating Statement of Operations and Changes in Net Assets

Year ended September 30, 2015

(In thousands)

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
Operating revenue										
Net patient service revenue	$ —	179,723	2,540,863	481,491	—	3,202,077	372,136	21,049	(21,049)	3,574,213
Less provision for bad debts, net	—	(3,245)	(50,382)	(15,417)	—	(69,044)	(12,484)	(176)	176	(81,528)
Net patient service revenue, less provision for bad debts	—	176,478	2,490,481	466,074	—	3,133,033	359,652	20,873	(20,873)	3,492,685
Other revenue	437,230	105,528	64,677	35,110	(484,510)	158,035	13,726	6,370	(68,536)	109,595
Total operating revenue	437,230	282,006	2,555,158	501,184	(484,510)	3,291,068	373,378	27,243	(89,409)	3,602,280
Operating expenses:										
Salaries and benefits	235,621	185,498	1,070,626	207,206	5,766	1,704,717	153,755	7,135	(7,135)	1,858,472
Supplies and other expenses	108,957	140,109	1,214,194	198,316	(418,365)	1,243,211	165,581	11,513	(76,088)	1,344,217
Depreciation and amortization	52,877	3,145	120,235	31,204	(41,616)	165,845	25,119	882	(5,902)	185,944
Insurance	32,133	7,185	17,162	6,864	(30,295)	33,049	1,959	153	(5,358)	29,803
Interest	—	—	20,826	3,048	—	23,874	314	130	(130)	24,188
Total operating expenses	429,588	335,937	2,443,043	446,638	(484,510)	3,170,696	346,728	19,813	(94,613)	3,442,624
Income (loss) from operations	7,642	(53,931)	112,115	54,546	—	120,372	26,650	7,430	5,204	159,656
Nonoperating gains (losses), net:										
Income from investments, donations and other, net	11,913	—	21,949	944	—	34,806	(8,040)	(4,206)	(8,447)	14,113
Change in fair value of swap, including counter party payments	—	—	(28,248)	—	—	(28,248)	(1,430)	—	—	(29,678)
Excess (deficiency) of revenue over expenses	19,555	(53,931)	105,816	55,490	—	126,930	17,180	3,224	(3,243)	144,091
Unrestricted net assets										
Other changes in net assets	—	—	(370)	(16)	—	(386)	4	196	(196)	(382)
Transfer to NEMG	(13,652)	53,931	(12,516)	(27,763)	—	—	—	—	—	—
Net assets released from restrictions for purchases of fixed assets	—	—	4,515	1,242	—	5,757	1,585	—	—	7,342
Pension related changes other than net periodic benefit cost	—	—	(12,372)	(18,998)	—	(31,370)	(12,742)	—	—	(44,112)
Increase (decrease) in unrestricted net assets	5,903	—	85,073	9,955	—	100,931	6,027	3,420	(3,439)	106,939

(Continued)

DOHP0271A53

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
(d/b/a Yale New Haven Health System and Subsidiaries)

Consolidating Statement of Operations and Changes in Net Assets

Year ended September 30, 2015

(In thousands)

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
Temporarily restricted net assets										
Income from investments	—	—	298		—	298	1,936	—	—	2,234
Net realized and unrealized gains on investments	—	—	2,651	1,448	—	4,099	(2,764)	—	—	1,335
Bequests and contributions	—	—	17,989	7,377	—	25,366	4,970	—	—	30,336
Net assets released from restrictions for purchases of fixed assets	—	—	(3,123)	(1,242)	—	(4,365)	(1,585)	—	—	(5,950)
Net assets released from restrictions for operations	—	—	(9,854)	(6,559)	—	(16,413)	(4,783)	—	—	(21,196)
Net assets released from restrictions for clinical programs	—	—	(1,477)	—	—	(1,477)	—	—	—	(1,477)
Other changes in net assets	—	—	139	542	—	681	(107)	—	—	574
Increase (decrease) in temporarily restricted net assets	—	—	6,623	1,566	—	8,189	(2,333)	—	—	5,856
Permanently restricted net assets										
Bequests and contributions	—	—	13,654	1,133	—	14,787	388	—	—	15,175
Net assets released from restrictions for purchases of fixed assets	—	—	(1,392)		—	(1,392)	—	—	—	(1,392)
Net realized and unrealized on investments	—	—	—		—	—	(1)	—	—	(1)
Changes in beneficial interest in perpetual trusts	—	—	(1,282)	—	—	(1,282)	—	—	—	(1,282)
Increase in permanently restricted net assets	—	—	10,980	1,133	—	12,113	387	—	—	12,500
Increase (decrease) in net assets	5,903	—	102,676	12,654	—	121,233	4,681	3,420	(3,439)	125,295
Net assets at beginning of year	149,991	4,131	1,119,530	156,773	—	1,430,425	435,918	14,991	(14,710)	1,866,624
Net assets at end of year	$ 155,894	4,131	1,222,206	169,427	—	1,551,658	439,999	18,411	(18,149)	1,991,919

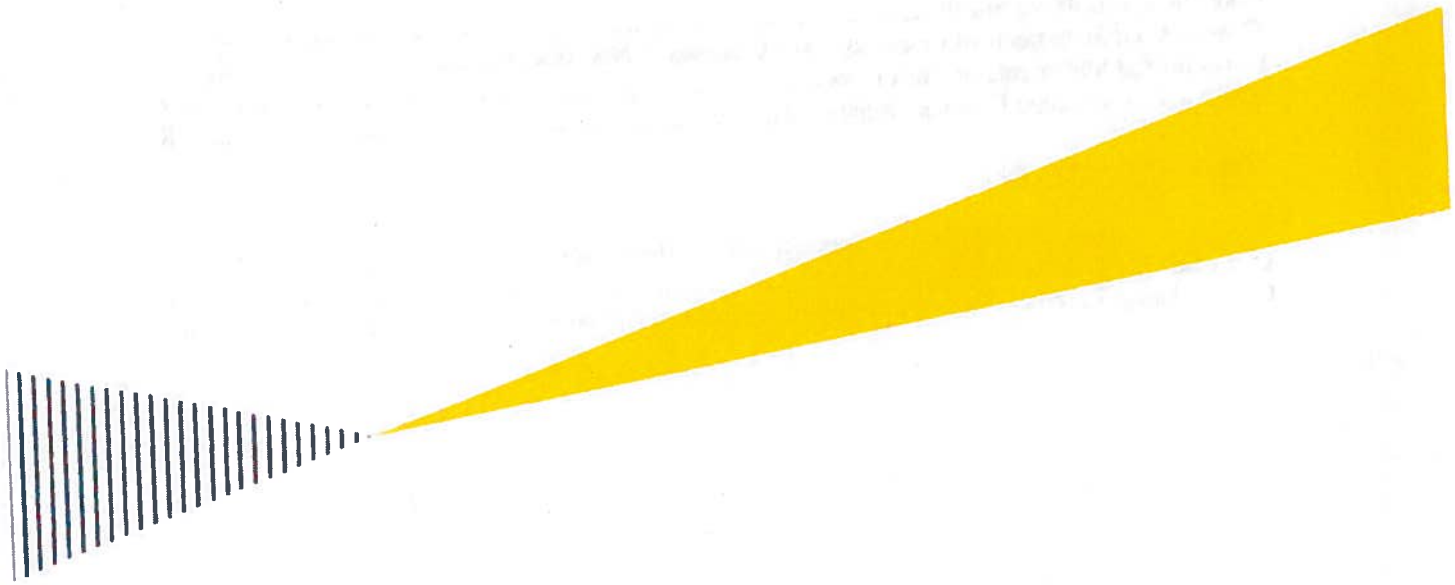
See accompanying notes to consolidated financial statements

DOHP0271A54

Consolidated Financial Statements and Supplementary Information

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
Years Ended September 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



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DOHP0272

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2014 and 2013

Contents

Report of Independent Auditors.....1

Consolidated Financial Statements

Consolidated Balance Sheets.....3
Consolidated Statements of Operations and Changes in Net Assets.....5
Consolidated Statements of Cash Flows.....7
Notes to Consolidated Financial Statements.....8

Supplementary Information

Report of Independent Auditors on Supplementary Information.....62
Consolidating Balance Sheet.....63
Consolidating Statement of Operations and Changes in Net Assets.....65

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Report of Independent Auditors

The Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited the accompanying consolidated financial statements of Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yale-New Haven Health Services Corporation at September 30, 2014 and 2013, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	September 30	
	2014	**2013**
Assets		
Current assets:		
Cash and cash equivalents	**$ 161,059**	$ 130,847
Short-term investments	**1,040,882**	816,969
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity and free care of approximately $272,684 in 2014, and $258,274 in 2013	**368,342**	334,974
Professional liabilities insurance recoveries receivable – current portion	**35,271**	38,264
Other current assets	**72,812**	87,911
Amounts on deposit with trustee in debt service fund	**4,641**	7,176
Total current assets	**1,683,007**	1,416,141
Assets limited as to use	**233,550**	174,471
Long-term investments	**394,904**	338,009
Deferred financing costs, less accumulated amortization	**10,993**	8,519
Professional liabilities insurance recoveries receivable – non-current	**86,652**	96,328
Goodwill	**114,352**	56,439
Other assets	**188,102**	177,549
Property, plant and equipment, net	**1,455,574**	1,533,825
Construction in progress	**66,043**	44,054
	1,521,617	1,577,879
Total assets	**$ 4,233,177**	$ 3,845,335

	September 30	
	2014	2013
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 469,398	$ 474,100
Current portion of long-term debt	19,493	45,780
Current portion of capital lease obligation	2,963	2,598
Professional liabilities – current portion	35,271	38,264
Other current liabilities	40,432	36,164
Total current liabilities	567,557	596,906
Long-term debt, net of current portion	917,111	764,309
Long-term capital lease obligations, net of current portion	70,998	53,896
Accrued pension and postretirement benefit obligations	321,442	264,775
Professional liabilities	173,806	182,728
Other long-term liabilities	271,261	225,405
Deferred revenue	44,378	47,297
Total liabilities	2,366,553	2,135,316
Commitments and contingencies		
Net assets:		
Unrestricted	1,644,056	1,511,282
Temporarily restricted	141,712	128,558
Permanently restricted	80,856	70,179
Total net assets, including non-controlling interest	1,866,624	1,710,019
Total liabilities and net assets	$ 4,233,177	$ 3,845,335

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
(In Thousands)

	Year Ended September 30	
	2014	**2013**
Operating revenue:		
Net patient service revenue	**$ 3,411,435**	$ 3,293,561
Less: Provision for bad debts	**(123,743)**	(131,779)
Net patient service revenue, less provision for bad debts	**3,287,692**	3,161,782
Other revenue	**106,994**	118,572
Total operating revenue	**3,394,686**	3,280,354
Operating expenses:		
Salaries and benefits	**1,744,137**	1,701,365
Supplies and other expenses	**1,251,717**	1,229,160
Depreciation and amortization	**192,072**	164,253
Insurance	**9,731**	23,007
Interest	**26,917**	26,387
Total operating expenses	**3,224,574**	3,144,172
Income from operations	**170,112**	136,182
Non-operating gains (losses), net:		
Income from investments, donations and other, net	**84,024**	53,238
Change in fair value of swap, including counterparty payments	**(17,204)**	17,597
Loss on refunding of long-term debt	**(32,631)**	–
Excess of revenue over expenses	**204,301**	207,017

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended September 30	
	2014	**2013**
Other changes in unrestricted net assets:		
Excess of revenue over expenses	**204,301**	207,017
Other changes in net assets	**(215)**	(176)
Net assets released from restrictions for purchases of fixed assets	**3,947**	1,040
Pension and other postretirement liability adjustments	**(75,259)**	143,793
Increase in unrestricted net assets	**132,774**	351,674
Temporarily restricted net assets:		
Income from investments	**1,389**	241
Net realized and unrealized gains on investments	**13,172**	15,553
Bequests and contributions	**20,859**	31,102
Net assets released from restrictions for purchases of fixed assets	**(3,947)**	(1,040)
Net assets released from restrictions for operations	**(13,178)**	(12,789)
Net assets released from restrictions for clinical programs	**(5,882)**	(10,277)
Other changes in net assets	**741**	911
Increase in temporarily restricted net assets	**13,154**	23,701
Permanently restricted net assets:		
Bequests and contributions	**5,372**	1,041
Net realized and unrealized losses on investments	**46**	322
Change in beneficial interest in perpetual trusts	**5,259**	411
Increase in permanently restricted net assets	**10,677**	1,774
Increase in net assets	**156,605**	377,149
Net assets at beginning of year	**1,710,019**	1,332,870
Net assets at end of year	**$ 1,866,624**	$ 1,710,019

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended September 30 2014	2013
Operating activities		
Increase in net assets	$ 156,605	$ 377,149
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	192,072	164,253
Net realized and change in net unrealized gains and losses on investments	(101,335)	(75,384)
Change in fair value of interest rate swap agreements	1,455	(19,493)
Loss on refunding of long-term debt	32,631	–
Amortization of long-term debt premium	(1,758)	(1,457)
Bad debts	123,743	98,606
Amortization of deferred financing costs	(413)	360
Change in perpetual trusts	(6,212)	(934)
Bequests and contributions, net of pledges	(26,231)	(26,084)
Pension and other postretirement liability adjustments	75,259	(143,793)
Changes in operating assets and liabilities:		
Accounts receivable, net	(157,111)	(140,207)
Other assets	(53,367)	26,082
Accounts payable and accrued expenses	(4,702)	67,047
Professional insurance recoveries and liabilities	754	3,766
Other liabilities	27,204	6,274
Net cash provided by operating activities	258,594	336,185
Investing activities		
Net acquisitions of property, plant and equipment	(115,888)	(266,025)
Sale of property	–	53,605
Capitalized interest	190	146
Cash paid for the acquisition, net of cash acquired	–	(13,981)
Net change in investments	(179,473)	(72,614)
Amounts deposited with trustee in debt service fund	2,535	1,318
Assets limited as to use	(52,867)	21,584
Net cash used in investing activities	(345,503)	(275,967)
Financing activities		
Proceeds from issuance of long-term debt	619,183	232,000
Proceeds from notes payable	–	14,000
Proceeds from line of credit payable	–	25,000
Payments of long-term debt	(490,610)	(17,032)
Payments on bank line of credit payable	(25,000)	(210,900)
Payments of notes payable	(3,213)	(45,637)
Payments on capital lease obligations	(2,645)	(56,309)
Cost of issuance of long-term debt	(6,825)	(3,230)
Bequests, and contributions, net of pledges	26,231	26,084
Net cash provided by (used in) financing activities	117,121	(36,024)
Net increase in cash and cash equivalents	30,179	24,194
Cash and cash equivalents at beginning of year	130,847	106,653
Cash and cash equivalents at end of year	$ 161,059	$ 130,847

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale-New Haven Health System and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2014

1. Organization and Significant Accounting Policies

Yale-New Haven Health Services Corporation (Y-NHHSC), formed in 1983, was incorporated under the Connecticut Nonstock Corporation Act to coordinate the activities of the members of the Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (collectively, the System), and is an integrated regional health care delivery system. The System currently includes the following entities:

Y-NHHSC was the parent company of YNH Network Corporation (YNHNC) as well as the sole member of Bridgeport Hospital & Healthcare Services, Inc. (BHHS) and remains the parent company of Greenwich Health Care Services, Inc. (GHCS), Northeast Medical Group, Inc (NEMG), and Y-NHH-MSO, Inc. (MSO).

YNHNC was a Connecticut not-for-profit, non-stock corporation established to promote and carry out charitable, scientific and educational activities. YNHNC was the sole member of Yale-New Haven Hospital, Inc., Yale-New Haven Care Continuum Corporation (YNHCCC), and the parent organization of Yale-New Haven Ambulatory Services Corporation and Subsidiaries (ASC) and York Enterprises, Inc. and Subsidiaries (York). YNHNC controlled, through contractual agreements, Quinnipiac Medical P.C. (QMPC) and Community Healthcare Physicians (CHCP). YNHNC had an affiliation agreement with Y-NHHSC in which Y-NHHSC was the sole member of YNHNC. In fiscal year 2014, Yale-New Haven Hospital and its parent company, YNHNC, were merged in connection with the formation of an Obligated Group and are now referred to as Yale-New Haven Hospital and Subsidiaries (Y-NHH). As a result, Y-NHH's financial statement reporting entity changed to include YNHCCC, ASC and York previously reported in the consolidated financial statements of YNHNC, retrospective to October 1, 2012.

Y-NHHSC is the sole member of Y-NHH. Y-NHH and its subsidiaries have continued to operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets and board appointments of Y-NHH. Y-NHH is the parent of:

YNHCCC, a Connecticut non-stock corporation, is a wholly owned subsidiary of Y-NHH. YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury or a traumatic major illness. Its services include respite care for family members and caregivers, recovery for victims of strokes, orthopedic recovery services, medications and diagnostic services (such as radiological services).

1. Organization and Significant Accounting Policies (continued)

ASC, a Connecticut non-stock, taxable corporation, is a wholly owned subsidiary of Y-NHH, and is 51% owner of Shoreline Surgery Center, LLC (SSC) and SSC II, LLC.

York is a Connecticut corporation formed for the purpose of initiating or acquiring business entities. Currently, York has two subsidiaries: Medical Center Pharmacy and Home Care, Inc. (MCP) and Medical Center Realty, Inc. (MCR). MCP is a Connecticut stock, for-profit company, which operated a retail pharmacy with multiple locations until February 2011. MCR is a Connecticut stock, for-profit company, which owns or holds leases on the System's affiliated commercial space. York is the sole shareholder of MCP and MCR.

QMPC and CHCP are Connecticut stock, for-profit, professional corporations formed in 1994 and 1996, respectively, to employ New Haven area primary care physicians. All of the stock of QMPC and CHCP is owned by the Chief of Staff of Y-NHH, who has assigned his rights in QMPC and CHCP to Y-NHH. QMPC and CHCP were both dissolved effective September 27, 2013.

Caritas Insurance Company, Ltd. (Caritas) is a Vermont-domiciled, captive insurance company licensed under Chapter 141 of Title 8 of the Vermont Statutes Annotated. Caritas is a tax-exempt supporting organization having the Hospital as its sole shareholder. Caritas provides excess professional liability coverage and general liability coverage. Prior to the 2012 acquisition of the stock of Caritas by Y-NHH from the Hospital of Saint Raphael (HSR), Caritas was a wholly-owned subsidiary of HSR.

Lukan Indemnity Company, Ltd. (Lukan) is a Bermuda-domiciled captive insurance company that provides primary professional liability coverage. Prior to the 2012 acquisition of the stock of Lukan by Y-NHH from HSR, Lukan was a wholly-owned subsidiary of HSR.

BHHS was a Connecticut not-for-profit, nonstock corporation established to promote and carry out charitable, scientific, and educational activities. BHHS was the sole member of the following not-for- profit, nonstock corporations: Bridgeport Hospital, Bridgeport Hospital

1. Organization and Significant Accounting Policies (continued)

Foundation, Inc. (the Foundation), Southern Connecticut Health System Properties, Inc. (Properties), and the BHHS. BHHS had an affiliation agreement with Y-NHHSC in which Y-NHHSC was the sole member of BHHS. In fiscal year 2014, Bridgeport Hospital and BHHS were merged in connection with the formation of an Obligated Group and are now referred to as Bridgeport Hospital and Subsidiaries (BH). As a result, Bridgeport Hospital's financial statement reporting entity changed to include the Foundation and Properties, which were previously reported in the consolidated financial statements of BHHS. The change in reporting entity was retrospectively applied to the consolidated financial statements for BH for all periods presented.

Y-NHHSC is the sole member of BH. BH and its subsidiaries have continued to operate autonomously with a separate board management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets and board appointments of BH. BH is the sole member of the following not-for-profit, non-stock corporations:

The Foundation solicits contributions for the benefit of BH and all other tax-exempt health care organizations associated with BH.

Properties is a real estate holding company, which sold primarily all of its assets to BH during 1998.

NEMG is a tax-exempt medical foundation that provides physician-related services to Bridgeport, Greenwich, and Yale-New Haven Hospitals and their surrounding communities. NEMG operates autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of NEMG.

Concurrent with the issuance of the Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Yale-New Haven Health Obligated Group Issue, Series A, B, C, D and E dated May 20, 2014, six members of the System were combined to form an Obligated Group. The Obligated Group comprises of Y-NHHSC, Y-NHH, YNHCCC, BH, BHF and NEMG. The members of the Obligated Group have adopted certain governance provisions in their certificates of incorporation and by-laws pursuant to which Y-NHHSC retains the authority to directly take certain actions on behalf of each Obligated Group member without the approval of the board of trustees of the applicable Obligated Group

1. Organization and Significant Accounting Policies (continued)

member, including the incurrence of indebtedness on behalf of each Obligated Group member, the management and control of the liquid assets of each, and the appointment of the president and chief executive officer of each Obligated Group member. GHCS and its subsidiaries are part of the System, but they are not members of the Obligated Group.

GHCS is the parent corporation of a group of wholly owned subsidiaries, including Greenwich Hospital, The Perryridge Corporation, Greenwich Health Care Services, Inc. (GHSI), the Greenwich Hospital Endowment Fund, Inc., and Greenwich Ambulatory Surgery Center, LLC (GASC). GHCS and its subsidiaries, with the exception of GHSI, are Section 501(c)(3) not-for-profit organizations, and are exempt from federal income taxes under Section 501(a) of the Code. Greenwich Hospital, a non-stock Connecticut corporation, is a wholly owned subsidiary of GHCS (the sole member), providing health care services to the lower Fairfield County and Westchester County, New York communities. GHCS and its subsidiaries have continued to operate autonomously with a separate board, management and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, any transfer of assets, and Board of Director appointments of GHCS and its subsidiaries.

On October 21, 2010, GASC entered into an agreement to operate Orthopedic & Neurosurgery Center of Greenwich, LLC (the JV), for the purpose of providing outpatient surgical services in the greater Fairfield County and Westchester County communities. GASC holds governance control of the JV and a 35% equity interest as of September 30, 2011. Accordingly, the accounts of the JV have been included in the balance sheets of GASC. The non-controlling interest in the JV is reported in the consolidated financial statements.

MSO, a for-profit stock corporation, was formed to manage physician practices and provide third-party administration services on certain managed care contracts. The capital stock of MSO consists of 20,000 shares of common stock, par value of one one-hundredth of a dollar per share. The Board of Directors of MSO is appointed by Y-NHHSC, the sole shareholder, who controls MSO's operations.

1. Organization and Significant Accounting Policies (continued)

Acquisitions

On June 1, 2014, NEMG and Y-NHHSC acquired certain assets of PriMed, LLC (PriMed), a physician practice for approximately $54.2 million. Y-NHHSC contributed the entire purchase price. PriMed is a multi-specialty group of approximately 120 providers in 36 locations across Fairfield County and New Haven County, Connecticut. PriMed also is the sole member of a gastroenterology surgery center, the Fairfield County Endoscopy Center, and offers a number of ancillary services, such as a sleep laboratory, cardiac diagnostic testing, physical therapy and nutritional counseling. Under the terms of the transaction, NEMG and Y-NHHSC acquired substantially all the assets of PriMed and a 40% interest in the gastroenterology surgery center. Y-NHHSC deposited $5.5 million into escrow to fund the purchase of the remaining 60% membership interest in the gastroenterology surgery center. Also at acquisition, Y-NHHSC recorded a liability of $5 million for the amounts to be paid to PriMed physicians contingent on their continued service in the three years following the acquisition closing date as per the agreement.

On October 11, 2013, Y-NHH purchased 100% controlling interest of Saint Raphael Magnetic Resonance Center (SRMP) for approximately $7.4 million. Prior to the purchase of this practice by Y-NHH, the controlling interest in SRMP was owned through a 50/50 joint venture between ASC and Medical Imaging Associates, P.C. ASC has transferred its 50% ownership to Y-NHH. In connection with this transaction, Y-NHH recorded goodwill in the amount of $5.6 million.

During 2013, BH acquired substantially all of the business, assets, and operations of Robert D. Russo and Associates Radiology P.C. (Russo Radiology). The acquisition includes installment payments totaling $15 million, including interest, ranging from approximately $1.5 million to $3.9 million due from May 2013 through June 2017. At September 30, 2014 and 2013, BH has a liability of approximately $6.3 million and $9.5 million, respectively, remaining. BH has accounted for the business combination by applying the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) Topic 805, *Business Combinations*. As a result of the transaction, goodwill in the amount of approximately $13.5 million was recorded.

1. Organization and Significant Accounting Policies (continued)

Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the System and its subsidiaries. All significant intercompany revenue and expenses and inter-company balance sheet accounts have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

During the years ended September 30, 2014 and 2013, the System recorded a change in estimate of approximately $11.9 and $9.4 million, respectively. Included in the change are amounts related to unfavorable third-party payor settlements.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose, and appreciation on permanently restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. The System is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from the trusts is unrestricted, and the assets are classified as permanently restricted.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount

1. Organization and Significant Accounting Policies (continued)

is recognized as revenue, and is classified as either unrestricted or temporarily restricted in accordance with donor-imposed restrictions, if any, on the contributions.

Capital Campaign and Pledges Receivable

Contributions and pledges receivable, included in other current assets and other assets in the accompanying consolidated balance sheets at September 30, 2014 and 2013, are expected to be received as follows (in thousands):

	September 30	
	2014	2013
Less than one year	$ 5,164	$ 9,482
One to five years	4,298	1,772
	9,462	11,254
Less unamortized discount on contributions receivable (0.1% to 3.7%)	(208)	(65)
	9,254	11,189
Allowance for uncollectible contributions	(277)	(336)
Contributions receivable, net	$ 8,977	$ 10,853

Excluded from contributions receivable are certain items, primarily letters of intent, which are not legally binding and gifts conditional on events that have not yet occurred.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

1. Organization and Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use, and which are not maintained in the short-term or long-term investment portfolios.

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is the System's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

Loan Receivable

On September 2014, Y-NHH entered into a term loan agreement as part of a transaction with a health care provider more fully described in Note 11. The term loan agreement has a term that coincides with an agreement for Y-NHH to lease an Inpatient Rehabilitation Unit (IRU). The term of the IRU Lease Agreement is five years and provides Y-NHH with two five-year renewal options at the end of each term.

The term loan bears interest of 6.5% annually that is payable monthly. The loan is collateralized by certain property owned by a subsidiary of the health care provider.

1. Organization and Significant Accounting Policies (continued)

Investments

The System has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value (quoted market prices) in the accompanying consolidated balance sheets.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the System holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the University) reported net asset value per unit for measurement of the units' fair value for the Yale University investment. Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the System's holdings may be determined by the investment manager or general partner. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the System to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors. Future funding commitments for alternative investments aggregated approximately $4.9 million at September 30, 2014.

The System participates in the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust is comprised of two pools: the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

1. Organization and Significant Accounting Policies (continued)

Under the terms of the investment management agreement with the Trust, withdrawals of investments in the L-TIP can be made annually by each Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2014, each Hospital can withdrawal 100% of its investment in the L-TIP on July 1, 2015. Withdrawals of investments in the I-TIP in any amount can be made quarterly with 30 days advance notice.

The Trust has entered into an agreement with The University's investment office (the Investment Management Agreement) which allows the University to manage a portion of the Trust's investments as part of the University's Endowment Pool (the Pool). For each of the years ended September 30, 2014 and 2013, the Trust transferred $100 million to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income, and cash.

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1. For withdrawals of amounts less than $150.0 million, or 75% of the Trust's investment in the Pool, $100.0 million, or 50% of the Trust's investment in the Pool, and $50.0 million, or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In March 2006, Y-NHH entered into an arrangement with the University, whereby the University will manage certain Board-designated assets of Y-NHH. These Board-designated assets are commingled in the University's endowment pool. As of September 30, 2014 and 2013, the carrying value of assets managed by the University under this agreement was approximately $10.4 million and $9.1 million, respectively. Because of the limitations on their use, the assets are separately classified from assets invested under the Investment Management Agreement.

1. Organization and Significant Accounting Policies (continued)

In 2011, the investment management agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances, interest of U.S. Prime rate, plus 2% will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of Trust's units in the Endowment using the June 30th unit valuation. No advances have been requested or taken by the Trust.

Short-term investments represent those securities that are available for the System's operations, and can be converted to cash within one year.

Inventories

Inventories are stated at the lower of cost or market. The System values its inventories using the first-in, first-out method, with the exception of Y-NHH's pharmacy inventories, which are valued at average cost.

Assets Limited as to Use

Assets so classified represent assets held by trustees under indenture agreements, beneficial interest in perpetual trusts, and designated assets set aside by the Board of Trustees for future capital improvements, and other Board-approved uses. The Board of Trustees retains control and, at its discretion, may use for other purposes assets limited as to use for plant improvements and expansion. Amounts required to meet current liabilities are reported as current assets. These funds consist primarily of U.S. government securities, equities, debt securities, mutual funds and money market funds.

Perpetual Trusts

The System is the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts, which are measured based on the fair value of the assets held by the trust, are recognized as assets and contribution revenue at the dates the trusts are established. Distributions from the trusts related to earnings and investment income are recorded as contributions, and the carrying value of the assets is adjusted for changes in the fair value.

1. Organization and Significant Accounting Policies (continued)

Interest Rate Swap Agreements

The System utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The System is exposed to credit loss in the event of non-performance by the counterparties to its interest rate swap agreements. The System is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the System.

Benefits and Insurance

The System is effectively self-insured for medical, dental, hospitalization, and prescription drug benefits provided to employees. Y-NHH and Y-NHHSC make annual contributions to the Y-NHHSC Voluntary Employee Beneficiary Association (VEBA) plan to fund medical, dental, hospitalization, group term life insurance and prescription drug benefits. Annually, premiums are set to reflect the estimated cost of benefits. During the years ended September 30, 2014 and 2013, Y-NHH and Y-NHHSC made actuarially determined contributions, net of premium adjustments, to the VEBA plan of approximately $172.6 million and $169.2 million, respectively.

Professional Liability Insurance

The System is self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including claims incurred but not reported (IBNR), and are based on System-specific experience. At September 30, 2014 and 2013, the estimated discounted liabilities for self-insured workers' compensation claims and IBNR aggregated approximately $29.4 million and $29.0 million, respectively, discounted at 2.5%, and are included in other long-term liabilities in the accompanying consolidated balance sheets.

The System records the actuarially determined liabilities for IBNR professional and general liabilities (see Note 10).

1. Organization and Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost, and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of, and any resulting gain or loss is included in income from operations. Depreciation of property, plant and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives, ranging from 3 to 50 years. The cost of additions and improvements are capitalized, and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

Y-NHH and the Housing Authority of New Haven (HANH) entered into an agreement to swap parcels of land on the Legion/Howard/Sylvan/Ward block located in New Haven, Connecticut. As part of the key terms of the agreement, HANH pledged an account to Y-NHH in the amount of $5.7 million. The pledged account was established at the time Y-NHH conveyed the land to HANH in July 2010. If HANH failed to meet certain requirements of the agreement, including conveying its land parcel to Y-NHH, Y-NHH had the right to withdraw from the pledged account in the amount of $5.2 million. On November 21, 2013, all criteria was met and HANH conveyed its land parcel to Y-NHH in the amount of $5.2 million.

Goodwill

Goodwill is not amortized but instead tested at least annually for impairment or more frequently when events or changes in circumstances indicate that the assets might be impaired. This impairment test is performed annually at the reporting unit level. The System evaluates goodwill at the entity level as management has determined that the System's operation comprise a single reporting entity. Goodwill is considered to impaired if the carrying value of the reporting unit, including goodwill, exceeds the reporting unit's fair value. Reporting unit fair value is estimated using both income (discounted cash flows) and market approaches.

The discounted cash flow approach requires the use of assumptions and judgments, including estimates of future cash flows and the selection of discount rates. The market approach relies on comparisons to publicly traded stocks or to sales of similar companies. The System has determined that no goodwill impairment exists at September 30, 2014.

1. Organization and Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue includes amounts which have been received that relate to future years. Amounts will be reduced as revenue is earned.

Excess of Revenue Over Expenses

In the accompanying consolidated statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating.

Contributions of, or restricted to, property, plant and equipment, and pension and other postretirement liability adjustments are excluded from the performance indicator, but are included in the change in net assets.

Income Taxes

Most entities within the System are not-for-profit corporations as described in Section 501(c)(3) of the Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Provisions for income taxes and deferred taxes, which are not material to the consolidated financial statements, have been made for the taxable entities listed above under the description of the System.

Operating Expenses

Y-NHH records amounts received from the University, area hospitals, and other local health care providers for costs incurred on behalf of those organizations as reductions to expenses. For the years ended September 30, 2014 and 2013, Y-NHH recorded approximately $60.5 million and $67.3 million, respectively, as reductions to expenses.

1. Organization and Significant Accounting Policies (continued)

Deferred Financing Costs

The System capitalizes costs incurred in connection with the issuance of long-term debt, and amortizes these costs over the life of the respective obligations using the effective interest method (Note 8). The accumulated amortization of deferred financing costs was approximately $0.6 million and $1.8 million for September 30, 2014 and 2013, respectively. See Note 8 for additional information relative to debt-related matters.

Impairment of Assets

The System reviews property, equipment, and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the System recognizes a loss on the basis of whether these amounts are fully recoverable.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2013, balances previously reported in the financial statements in order to conform with the year ended September 30, 2014 presentation. Approximately $52.4 million reported as a reduction to gross accounts receivable are now classified as allowances for uncollectible accounts, charity care and free care on the accompanying balance sheet to conform with current year presentation. See Note 3 for additional information relative to the amendment of the System's Charity Care policy.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 is required on October 1, 2017, and management is currently evaluating the effect of this guidance on its financial statements.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program, includes premium revenue, and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such audits, reviews, and investigations.

Third-party payor receivables included in other receivables were $8.0 million and $10.7 million at September 30, 2014 and 2013, respectively. Third-party payor receivables included in other long-term assets were $11.3 million at September 30, 2013. Third-party payor liabilities included in other current liabilities were $47.4 million and $24.1 million at September 30, 2014 and 2013, respectively. Third-party payor liabilities included in other long-term liabilities were $76.9 million and $65.6 million at September 30, 2014 and 2013, respectively.

The System has established estimates, based on information presently available, of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and System-specific data. Such amounts are included in the accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the System. If the appeals are successful, additional income applicable to those years might be realized. In April 2014, Y-NHHS began participation in the Centers for Medicare & Medicaid Services Bundled Payments for Care Improvement initiative. Under the Bundled Payments for Care Improvement initiative, Y-NHHS has entered into payment arrangements that include financial and performance accountability for episodes of care.

Revenue from Medicare and Medicaid programs accounted for approximately 32% and 11%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2014, and approximately 32% and 14%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2013. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 37% and 27%, respectively for the year ended September 30, 2014 and 37%, and 26%, respectively, for

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

the year ended September 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The System believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing, except as disclosed in Note 11. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the System. Cost reports for the System's hospitals, which serve as the basis for final settlement with government payors have been settled by final settlement for various years ranging through 2010 for Medicare and through 1995 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 37% from Medicare, 13% from Medicaid, and 50% from non-governmental payors at September 30, 2014 and 31% from Medicare, 13% from Medicaid, and 56% from non-governmental payors at September 30, 2013.

Patient service revenue for the years ended September 30, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation, is as follows:

	2014	2013
	(In thousands)	
Third-party	$ 3,276,256	$ 3,147,921
Self-pay	135,179	145,640
Total all payors	$ 3,411,435	$ 3,293,561

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and the System considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

The System's allowance for doubtful accounts totaled approximately $272.7 million and $258.3 million at September 30, 2014 and 2013, respectively. The allowance for doubtful accounts for self-pay patients was approximately 81.8% and 82.3% of self-pay accounts receivable as of September 30, 2014 and 2013, respectively.

3. Uncompensated Care and Community Benefit Expense

The System's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford health care because of inadequate resources, and/or who are uninsured or underinsured.

The System makes available free care programs for qualifying patients. In accordance with the established policies of the System, during the registration, billing, and collection process, a patient's eligibility for free care funds is determined. For patients who were determined by the System to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program, and whose ability to pay cannot be determined by the System, care given but not paid for is classified as charity care. During the year ended September 30, 2014, the System amended it Charity Care policy. Based upon the policy change, the System experienced increased charity care write offs during the year.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $184.9 million and $158.2 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity.

3. Uncompensated Care and Community Benefit Expense (continued)

The estimated cost of charity care provided was $115.8 million and $77.7 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the System for each account analyzed.

For the years ended September 30, 2014 and 2013, bad debt expense, at charges, was $123.7 million and $131.8 million, respectively. For the years ended September 30, 2014 and 2013 bad debt expense at cost was approximately $69.1 million and $80.5 million, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program (CDSHP) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by an assessment on hospital net patient service revenue. During the years ended September 30, 2014 and 2013, the System received $42.2 million and $78.5 million, respectively, in CDSHP distributions, of which approximately $27.8 million and $47.3 million was related to charity care. The System made payments into the CDSHP of $102.5 million for the years ended September 30, 2014 and 2013, for the assessment.

Additionally, the System provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children and various community support groups. The System voluntarily assists with the direct funding of several City of New Haven programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the System provides additional benefits to the community through its advocacy of community service by employees. The System's employees serve numerous organizations through board representation, membership in associations and other related activities. The System also solicits the assistance of other health care professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use is set forth in the following table (in thousands):

	September 30 2014	2013
Money market funds	$ 213,016	$ 205,455
U.S. equity securities	86,369	84,286
U.S. equity securities – common collective trusts	19,473	20,059
International equity securities[a]	117,361	102,424
Fixed income:		
U.S. government	147,701	103,888
U.S. government – common collective trusts	157,065	98,138
International government[b]	86,319	72,106
Corporate bonds	27,705	20,562
Mortgage backed securities	24	44
Commodities	3,170	3,778
Hedge funds:		
Absolute return[c]	22,310	25,970
Long/short equity[d]	2,529	57
Private equity	8,272	7,227
Real estate[e]	12,136	12,031
Interest in Yale University endowment pool[f]	752,731	568,062
Perpetual trusts[g]	17,796	12,538
Total	$ 1,673,977	$ 1,336,625

(a) Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

(b) Investments with external commodities futures manager.

(c) Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions

(d) Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

(e) Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end Real Estate Investment Trusts (REITs) and limited partnerships.

(f) Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships, and commingled funds. The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

(g) Investments consist of several domestic and international equity and fixed income mutual funds, REITs, commodities and money market funds. There is also an investment in a hedge fund of funds.

5. Property, Plant and Equipment

Property, plant and equipment is as follows (in thousands):

	September 30 2014	2013
Land, buildings and improvements	$ 1,562,723	$ 1,537,530
Equipment	1,267,165	1,216,242
Assets recorded under capital leases	70,262	70,262
	2,900,150	2,824,034
Less accumulated depreciation and amortization	1,444,576	1,290,209
Property, plant, and equipment, net	1,455,574	1,533,825
Construction in progress	66,043	44,054
	$ 1,521,617	$ 1,577,879

6. Endowment

The System's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The System has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment related to the System's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence

6. Endowment (continued)

prescribed by CUPMIFA. In accordance with CUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 43,893	$ 71,899	$ 70,179	$ 185,971
Investment returns:				
Investment income	(554)	688	–	134
Net appreciation (realized and unrealized)	7,515	10,607	46	18,168
Total investment returns	6,691	11,295	46	18,302
Appropriation of endowment assets for expenditure	(2,548)	(5,044)	–	(7,592)
Other changes:				
Contributions	–	1,221	5,373	6,594
Change in value of beneficial interest trusts	–	(5,898)	5,258	(640)
Endowment net assets at end of year	$ 48,306	$ 73,473	$ 80,856	$ 202,635

6. Endowment (continued)

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 38,616	$ 63,561	$ 68,406	$ 170,583
Investment returns:				
Investment income	104	668	–	772
Net appreciation (realized and unrealized)	7,573	12,832	322	20,727
Total investment returns	7,677	13,500	322	21,499
Appropriation of endowment assets for expenditure	(2,400)	(7,744)	–	(10,144)
Other changes:				
Contributions	–	2,582	1,041	3,623
Change in value of beneficial interest trusts	–	–	410	410
Endowment net assets at end of year	$ 43,893	$ 71,899	$ 70,179	$ 185,971

	September 30 2014	2013
	(In Thousands)	
The portion of perpetual endowment funds subject to a time restriction under CUPMIFA:		
Without purpose restrictions	$ 8,357	$ 8,199
With purpose restrictions	65,115	63,700
Total endowment funds classified as temporarily restricted net assets	$ 73,473	$ 71,899

6. Endowment (continued)

Return Objectives and Risk Parameters

The System has adopted investment and spending policies for endowed assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that over time provide a rate of return that meets the spending policy objectives adjusted for inflation. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategies in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that place greater emphasis on equity-based investments to achieve its long-term rate of return objectives within prudent risk constraints.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes (in thousands):

	September 30 2014	2013
Specific hospital operations, teaching, research, indigent and free care, and training	$ 123,058	$ 118,358
Plant improvement and expansion	18,654	10,200
	$ 141,712	$ 128,558

Permanently restricted net assets of approximately $80.9 million and $70.2 million at September 30, 2014 and 2013, respectively, consist of donor restricted endowment principal and beneficial interests in perpetual trusts. The income generated from permanently restricted funds is expendable for purposes designated by donors, including research, free care, health care, and other services.

8. Debt

A summary of long-term debt and capital lease obligations is as follows (in thousands):

	September 30 2014	2013
Revenue bonds financed with the State of Connecticut Health and Educational Facilities Authority (CHEFA):		
Series C (Greenwich Hospital) maturing July 1, 2026 (variable interest rates with an average rate of approximately 3.22% for fiscal 2014)	$ 37,710	$ 40,215
Series D (BH), maturing July 1, 2025, fixed interest ranging from 2.00% to 5.00%	32,110	34,350
Series E (BH), 3.47% effective interest rate	35,971	–
Series J (Y-NHH), 5.12% effective interest rate	–	156,120
Series K (Y-NHH), 3.11% effective interest rate	–	89,005
Series L (Y-NHH), 3.68% effective interest rate	–	107,460
Series M (Y-NHH), 5.24% effective interest rate	–	98,475
Series N (Y-NHH), 4.27% effective interest rate	44,815	44,815
Series O (Y-NHH), 2.84% effective interest rate	50,000	50,000
Series A (Y-NHH), 3.77% effective interest rate	102,300	–
Series B (Y-NHH), 2.30% effective interest rate	168,275	–
Series C (Y-NHH), 3.11% effective interest rate	83,625	–
Series D (Y-NHH), 3.68% effective interest rate	108,275	–
Series E (Y-NHH), 3.47% effective interest rate	44,963	–
Series 2013 taxable bonds (Y-NHH), 4.13% effective rate	132,000	132,000
Series 2014 taxable bonds (Y-NHH), 4.37% effective rate	50,725	
Loans payable:		
Line of credit payable (BH), 1.71% interest rate	–	25,000
Term loan – November 2010 (BH), 3.22% fixed interest rate	4,317	4,940
Term loan – June, 2012 (BH), 1.66% fixed interest rate	3,082	4,167
Note payable (BH), 6.9% fixed interest	6,250	9,463
Capital lease obligation at an imputed interest of 6.0% – November 2010, (Y-NHH)	50,682	52,237
Capital lease obligation (BH)	20,207	95
Capital lease obligations (York), at varying rates of imputed interest of 6.25%, collateralized by leased equipment	3,119	4,162
	978,426	852,504
Add premium	32,139	14,079
Less current portion	(22,456)	(48,378)
	$ 988,109	$ 818,205

8. Debt (continued)

In September 2006, Y-NHH issued Series J revenue bonds totaling approximately $280.9 million. The proceeds, including a premium of approximately $10.1 million, were used to finance a portion of the construction costs of the Cancer Hospital. The bond premium was being amortized and was included in capitalized interest through March 2010. As of the opening of the Cancer Hospital, the bond premium was amortized in the statement of operations and changes in net assets. The Series J revenue bonds were issued in three sub-series as follows: (1) Series J-1, approximately $174.4 million, consisting of approximately $83.7 million of serial bonds and approximately $90.7 million in term bonds bearing interest at 5% per annum; (2) Series J-2, approximately $40.0 million of revenue bonds bearing interest at 3.65% at September 30, 2007; (3) Series J-3, approximately $66.5 million of revenue bonds bearing interest 3.70% at September 30, 2007. Series J-2 and J-3 revenue bonds were refunded during the year ended September 30, 2008 by the issuance of Series L revenue bonds.

In May 2008, Y-NHH issued Series K and Series L revenue bonds totaling approximately $216.6 million. The Series K revenue bonds were issued as Variable Rate Demand Bonds (VRDBs) in two sub-series, Series K-1 and K-2, approximately $54.6 million each, with an effective rate of 3.11%. The proceeds from the Series K issuance were used to refund the Series I revenue bonds. The Series L revenue bonds were issued as VRDBs in two sub-series, Series L-1 and L-2, approximately $53.7 million each, with an effective rate of 3.68%. The proceeds from the Series L issuance were used to refund the Series J-2 and J-3 revenue bonds.

On May 6, 2008, CHEFA issued $53.6 million of its Revenue Bonds on behalf of GH, Series C, consisting of variable rate demand bonds. The proceeds were utilized for the refunding of the outstanding Series B revenue bonds. Principal amounts related to the Series C revenue bonds mature annually each July 1 through fiscal 2026. The effective interest rate of 3.22% is the result of the variable rate paid to bondholders, disclosed as interest expense of approximately $0.1 million, and net counterparty payments of approximately $1.3 million in connection with the interest rate swap included in non-operating gains and losses.

In November 2010, BH obtained a $6.6 million term loan from the CHEFA. The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to the infrastructure of BH. The loan is to be paid in monthly installments over ten years at a fixed interest rate of 3.22%.

8. Debt (continued)

In December 2010, Y-NHH issued Series M revenue bonds totaling approximately $104.4 million. The proceeds, including a premium of approximately $1.0 million, were used to finance costs for the expansion and renovations to the Adult Emergency Department, the purchase and installation of machinery and equipment, various renovations and improvements to the Hospital's infrastructure. The premium was being amortized and included in capitalized interest through December 2012. As of the completion of these projects, the bond premium was amortized in the statement of operations. The Series M revenue bonds were issued as one series consisting of approximately $33.9 million of serial bonds bearing interest at 4.69%, and approximately $17.6 million, $17.8 million, and $35.1 million in term bonds bearing interest at 5.25%, 5.75%, and 5.50%, respectively, per annum.

On August 30, 2011, Y-NHH entered into a loan agreement with a bank for $40.0 million. Y-NHH agreed to repay the aggregate principal amount in five equal annual payments of $8.0 million, beginning on October 1, 2012. The loan bore interest at a rate equal to London Interbank Offered Rate (LIBOR) plus 0.50% per annum with an option to convert to a fixed rate loan upon formal notification to the bank, which may include a portion of or the total outstanding loan balance at the time notification is made. The loan was fully repaid by the issuance of the Series N, Series O, and Series 2013 bonds.

In May 2012, the BH Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were held in an escrow account and used for the retirement of the outstanding Series A and C tax-exempt revenue bonds and to pay for certain bond issuance costs of approximately $0.8 million. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying consolidated statement of operations and changes in net assets.

In June 2012, BH obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over five years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

8. Debt (continued)

In July 2012, Y-NHH entered into a line of credit with a bank in the amount of $27.0 million which was subsequently increased to $187.0 million. In July 2012, Y-NHH drew the unconditional loan of $27.0 million to outfit a new facility. In September 2012, Y-NHH drew the remaining $160.0 million. The line of credit required Y-NHH to repay the bank in 24 equal monthly installments commencing on August 1, 2013. The full amount of the remaining balance was due on July 12, 2015. This obligation bore interest at a rate equal to LIBOR plus 0.45% per annum. The line of credit was fully repaid and cancelled by the issuance of the Series N, Series O, and Series 2013 bonds.

In September 2012, Y-NHH drew on its $50.0 million line of credit with a bank, established in January 2012, in the amount of $25.0 million. This line of credit required repayment of the aggregate principal amount on the 364th day subsequent to the advance. This obligation bore interest at a rate equal to LIBOR plus 0.50% per annum. The line of credit was repaid in December 2012.

In December 2012, in connection with the purchase of a radiology practice, BH entered into a note payable with the seller in the amount of $15.1 million. The note is to be repaid in monthly installments over five years.

In January 2013, Y-NHH issued Series N and Series O revenue bonds totaling approximately $100.0 million. The Series N revenue bonds were issued as fixed rate bonds with an effective interest rate of 4.27%. The Series O revenue bonds were issued as VRDBs with an effective interest rate of 2.84% at September 30, 2013. The proceeds, including a premium of approximately $5.2 million for the Series N revenue bonds, were used to refinance a line of credit. The bond premium is being amortized as interest expense in the accompanying consolidated statements of operations and changes in net assets.

In January 2013, Y-NHH issued Series 2013 taxable bonds totaling approximately $132.0 million. The Series 2013 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.13%. The proceeds were used to finance and refinance the costs of certain projects and activities in furtherance of Y-NHH's tax exempt purpose, including the refinancing of certain existing indebtedness.

8. Debt (continued)

In September 2013, BH entered into and drew in full its $25.0 million line of credit with a bank. The bank line of credit requires payment of the outstanding principal amount 12 months subsequent to the initial advance. The obligation bears interest at a rate equal to one month LIBOR plus 1.50% per annum. The bank line of credit was paid in full and closed in September 2014.

In June 2014, the Obligated Group issued Series A revenue bonds totaling approximately $102.3 million and Series B revenue bonds totaling approximately $168.3 million. The Series A revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.77%. The Series B revenue bonds were issued as floating rate notes with an effective interest rate of 2.30%. The proceeds from the Series A revenue bonds, including a premium of approximately $14.8 million, and the proceeds from the Series B revenue bonds, were used to defease Y-NHH's Series J-1 and M revenue bonds. The bond premium is being amortized as interest expense using the effective interest method in the consolidated statements of operations and changes in net assets.

In June 2014, the Obligated Group issued Series C revenue bonds totaling approximately $83.6 million and Series D revenue bonds totaling approximately $108.3 million. The Series C revenue bonds were issued as VRDBs with an effective interest rate of 3.11%. The proceeds from the Series C issuance were used to refund Y-NHH's Series K revenue bonds. The Series D revenue bonds were issued as VRDBs with an effective interest rate of 3.68%. The proceeds from the Series D issuance were used to refund Y-NHH's Series L revenue bonds.

As a result of the above transactions, Y-NHH incurred a loss on extinguishment of debt totaling approximately $32.6 million during the fiscal year ended September 30, 2014.

The Series C, Series D and Series O VRDBs are required to be supported by letter of credit facilities (LOCs) which have been executed with three financial institutions. These LOCs are scheduled to expire on May 2, 2016, June 23, 2017, and February 14, 2018, respectively.

In June 2014, the Obligated Group issued Series E revenue bonds totaling approximately $80.9 million. The Series E revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.47%. The proceeds included a premium of approximately $10.1 million. The proceeds were used to finance costs for the installation of machinery and equipment and various

8. Debt (continued)

renovations and improvements to the infrastructures at BH and Y-NHH. The premium is being amortized and included in capitalized interest. Upon completion of these projects, the bond premium will be amortized as interest expense in the accompanying consolidated statement of operations and changes in net assets.

In June 2014, the Obligated Group issued Series 2014 taxable bonds totaling approximately $50.7 million. The Series 2014 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.37%. The proceeds were used to finance the costs of certain projects and activities in furtherance of the System's tax-exempt purpose.

Required monthly payments on the revenue bonds by the System to a trustee are in amounts sufficient to provide for the payments of principal, interest, and sinking fund installments, as well as required payments to certain reserve funds held by the trustee, in accordance with the terms of the agreements, and certain other annual costs of CHEFA.

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that, in specified circumstances, earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the Federal government.

In November 2013, Bridgeport Hospital entered into an arrangement with a developer to construct a 120,000 square foot medical office building and adjacent garage in Fairfield County, CT. The arrangement contains provisions for Bridgeport Hospital to begin leasing the property for a 25-year period beginning in April 2016. Management has evaluated the terms of the arrangement and will be recording the project as a capital lease. Upon completion, the total estimated capital lease obligation will approximate $102.0 million. At September 30, 2014, construction costs totaled approximately $20.2 million and are included in construction in process in the accompanying consolidated balance sheet.

The terms of the various financing arrangements between CHEFA and the System, the financial institutions providing the LOCs and the System, and the Bank and the System provide for financial covenants regarding the System's debt service coverage ratio, liquidity ratio, and debt to capitalization ratio, among others. As of September 30, 2014 and 2013, the System was in compliance with such covenants.

8. Debt (continued)

Scheduled principal payments on all long-term debt, including capital lease obligations, are as follows (in thousands):

	Debt	Capital Lease Obligations
Year ending September 30:		
2015	$ 19,493	$ 6,150
2016	16,318	9,897
2017	17,741	13,536
2018	15,829	12,735
2019	17,601	5,668
Thereafter	817,483	54,051
	$ 904,465	102,037
Less interest		(28,076)
		$ 73,961

Capitalized interest at September 30, 2014 and 2013 totaled approximately $29.9 million and $27.0 million, respectively.

The swap agreements fix the interest rate at a level viewed as desirable by the System. Such agreements expose the System to credit risk in the event of non-performance by the counterparties, some of which is collateralized. At September 30, 2014 and 2013, the fair value of the swap agreements based on current interest rates was approximately $36.1 million and $26.5 million, respectively, representing a payable to the counterparties (recorded in other long-term liabilities).

8. Debt (continued)

The following table summarizes the System's interest rate swap agreements (in thousands):

Swap Type	Expiration Date	System Receives	System Pays	Notional Amount at September 30 2014	2013
Series K – fixed to floating	July 1, 2025	LIBOR	3.11%	$ –	$ 59,987
Series L – fixed to floating	July 1, 2036	LIBOR	3.68%	–	44,505
Series O – fixed to floating	July 1, 2053	67% of LIBOR	2.84%	50,000	50,000
Series B – fixed to floating	July 1, 2049	67% of LIBOR	2.31%	100,965	–
Series B – fixed to floating	July 1, 2049	LIBOR	2.29%	67,310	–
Series C – fixed to floating	July 1, 2025	LIBOR	3.11%	55,861	–
Series D – fixed to floating	July 1, 2036	LIBOR	3.68%	44,505	–
Series C – fixed to floating (Greenwich Hospital)	July 1, 2026	LIBOR	3.10%	25,700	27,400
				$ 344,341	$ 181,892

On September 20, 2012, Y-NHH entered into a Forward Starting Interest Rate swap (the Series O swap), a LIBOR Swap Rate Lock and a SIFMA Rate Lock swap with two different counterparties. The agreements require Y-NHH to pay a fixed rate and receive a floating rate based on LIBOR or SIFMA. The change in market value, as well as the net interest paid or received under the swap agreement, for the Series L swap has been capitalized as part of the interest costs related to construction of the Cancer Hospital until construction was complete. Once the Cancer Hospital became operational, these amounts were recorded in the accompanying consolidated statements of operations and changes in net assets.

In connection with its Series C revenue bonds, GH entered into an interest rate swap agreement (the GH swap) with a financial institution. Under the terms of the GH swap, GH will receive variable interest payments and pay fixed interest payments on a notional value of approximately $25.7 million.

8. Debt (continued)

In June 2014, Y-NHHSC, on behalf of the Obligated Group, entered into LIBOR swap rate locks with two counter parties (the Series B swaps). For the Series B swaps, there was an unfavorable change in fair value of approximately $7.1 million for the year ended September 30, 2014, which was recorded in excess of revenue over expenses. No collateral was required under the Series B swap agreements for the year ended September 30, 2014.

For the Y-NHH Series K/C swap, there was a favorable change in fair value of approximately $1.0 million and $4.5 million, respectively, for the years ended September 30, 2014 and 2013 which was recorded in excess of revenue over expenses. No collateral was required under the Y-NHH Series K/C swap agreement for the years ended September 30, 2014 and 2013.

For the Y-NHH Series L/D swap, there was an unfavorable change in fair value of approximately $2.2 million for the year ended September 30, 2014, and a favorable change in fair value of approximately $7.5 million for the year ended September 30, 2013, which was recorded in excess of revenue over expenses. No collateral was required under the Series L/D swap agreement for the years ended September 30, 2014 and 2013.

For the Y-NHH Series O swap, there was an unfavorable change in fair value of approximately $0.6 million for the year ended September 30, 2014, which was recorded in excess of revenue over expenses. For the Series O swap and the LIBOR Swap Rate Lock swap, there was a favorable change in fair value of approximately $2.5 million and $1.0 million, respectively, for the year ended September 30, 2013, which was recorded in excess of revenue over expenses. No collateral was required under the Series O swap agreement for the years ended September 30, 2014 and 2013.

For the GH swap, there was a favorable change in fair value of approximately $0.3 million and $2.3 million for the years ended September 30, 2014 and 2013, respectively, which was recorded in excess of revenue over expenses. The terms of the swap agreement have not required GH to collateralize funds to be held by the financial institution as of September 30, 2014 and 2013.

For the years ended September 30, 2014 and 2013, the System paid approximately $25.5 million and $25.0 million, respectively, for interest related to long-term debt and capital lease obligations.

8. Debt (continued)

Y-NHH entered into a contract to lease space in a building adjacent to Y-NHH. Y-NHH's rental obligation commenced in December 2009. This capital lease has a term of 20 years from the commencement date with the option to extend the lease for four successive terms of ten years. Rental payments increase by 5% every five years. Y-NHH is also subject to additional rent for its share of expenses, as defined in the contract. Y-NHH has the option to purchase the property at the end of the fifth, tenth, or twentieth year or at the end of each of the first three 10-year extension periods.

In January 2013, Y-NHH entered into a transaction in connection with a building at 2 Howe Street, New Haven, Connecticut, which was previously accounted for by Y-NHH as a capital lease. Under the terms of the capital lease, Y-NHH was obligated to purchase the building after an initial lease term of three years. In satisfaction of that obligation, Y-NHH purchased the building and immediately sold the building to a third-party investor. Y-NHH currently leases the building from the investor under a long-term operating lease. Y-NHH owns the land on which the building is located and has entered into a prepaid long-term ground lease with the investor.

Assets recorded under the capital lease obligations totaled approximately $90.4 million and $57.6 million as of September 30, 2014 and 2013, respectively. Accumulated depreciation for the capital lease obligations totaled approximately $19.3 million and $16.8 million at September 30, 2014 and 2013, respectively.

9. Pensions and Postretirement Benefits

The System has qualified and non-qualified defined benefit pension plans covering substantially all employees and executives. The benefits provided are based on age, years of service, and compensation. The System's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974.

The System also sponsors contributory 403(b) plans and 401(k) plans covering substantially all employees. Employer contributions for certain 403(b), made to a matching 401(a) plan, and 401(k) plans are determined based on employee contributions and years of service. The System contributed approximately $51.3 million and $34.5 million for the years ended September 30, 2014 and 2013, respectively.

9. Pensions and Postretirement Benefits (continued)

YNHNC maintains a Section 457 non-qualified deferred compensation plan. Contributions are made on a pre-tax basis. The balances recorded at September 30, 2014 and 2013 in other assets and other long-term liabilities were approximately $32.5 million and $27.3 million, respectively.

On June 30, 2006, BH froze its defined benefit plan. On October 1, 2006, BH instituted a defined contribution plan.

Effective as of December 31, 2006, GH amended its defined benefit pension plan to freeze benefits for employees who were under age 50 with less than five years of service. Effective January 1, 2007, GH began providing a matching contribution and a length of service contribution, in addition to its incentive contribution, for its defined contribution plan for all employees no longer accruing benefits under the defined benefit plan. Employees who were age 50 or older with five years of service continue to accumulate benefits under the defined benefit plan, and do not participate in the defined contribution plan.

Effective September 30, 2013, the Y-NHH qualified defined benefit pension plan and the 401(a) plan were amended to reduce the percentage of compensation contributed by Y-NHH to the qualified defined benefit pension plan and to increase the percentage of compensation contributed by Y-NHH to the 401(a) plan for the plan years commencing after December 1, 2013. The amendment to the qualified defined benefit pension plan resulted in a decrease to the projected benefit obligation at September 30, 2013 of approximately $23.9 million.

Y-NHH and GH also provide certain health care and life insurance benefits upon retirement to substantially all their employees. Y-NHH's and GH's policy is to fund these annual costs as they are incurred from the general assets of Y-NHH and GH. The estimated cost of these postretirement benefits is actuarially determined and accrued over the employees' service periods.

Included in unrestricted net assets at September 30, 2014 and 2013 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of approximately $22.4 million and $23.8 million, respectively, and unrecognized actuarial losses of approximately $308.0 million and $234.1 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2015 are approximately $2.0 million and $17.6 million, respectively.

9. Pensions and Postretirement Benefits (continued)

The following table sets forth the change in benefit obligations, change in the plans' assets, and the reconciliation of underfunded status of the System's defined benefit plans as of September 30, 2014 and 2013 (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 804,718	$ 868,077	$ 67,904	$ 79,630
Service cost	24,830	39,116	3,617	5,080
Interest cost	38,108	32,096	3,270	3,135
Plan amendments	–	(23,836)	(577)	–
Actuarial loss (gain)	79,636	(77,027)	5,413	(18,428)
Benefits paid	(38,382)	(33,708)	(1,491)	(1,513)
Benefit obligation at current measurement date	908,910	804,718	78,136	67,904
Change in plans' assets:				
Fair value of assets at prior measurement date	605,715	543,351	–	–
Actual return on plans' assets	45,364	46,013	–	–
Employer contributions	50,775	50,059	1,491	1,513
Benefits paid	(38,382)	(33,708)	(1,491)	(1,513)
Fair value of plans' assets at current measurement date	663,472	605,715	–	–
Accrued benefit cost	$ (245,438)	$ (199,003)	$ (78,136)	$ (67,904)

The actuarial loss in 2014 primarily relates to changes in the discount rate and mortality table used to measure the benefit obligation, and the actuarial gain in 2013 primarily relates to changes in the discount rate.

9. Pensions and Postretirement Benefits (continued)

The accrued benefit cost included in the consolidated balance sheets includes the following (in thousands):

	Accrued Pension and Postretirement Obligations		Fair Value of Plans' Assets	
	2014	2013	2014	2013
YNHNC and Subsidiaries – accrued pension and postretirement obligations	$ (233,609)	$ (200,082)	$ 347,238	$ 313,730
Bridgeport Hospital – accrued pension and postretirement obligations	(58,281)	(42,945)	145,156	136,660
Greenwich Hospital – accrued pension and postretirement obligations	(31,684)	(23,880)	171,078	155,325
	$ (323,574)	$ (266,907)	$ 663,472	$ 605,715

Benefit Obligation and Assumptions

The projected benefit obligation, accumulated benefit obligation, and fair value of the plans' assets were as follows (in thousands):

	September 30	
	2014	2013
Projected benefit obligation	$ (908,910)	$ (804,718)
Accumulated benefit obligation	(829,877)	(732,493)
Fair value of plans' assets	663,472	605,715

As of September 30, 2014 and 2013, the underfunded status of the qualified defined benefit pension plans was approximately $197.6 million and $154.7 million, respectively, and that of the non-qualified defined benefit pension plan was approximately $47.9 million and $44.3 million, respectively. Additionally, there are assets limited as to use of approximately $77.9 million and $69.4 million, which are available to satisfy the obligations of the non-qualified defined benefit pension plan at September 30, 2014 and 2013, respectively.

9. Pensions and Postretirement Benefits (continued)

The net periodic benefit cost for the years ended September 30, 2014 and 2013 is as follows (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Service cost	$ 24,830	$ 39,116	$ 3,617	$ 5,080
Interest cost	38,108	32,096	3,270	3,135
Expected return on plan assets	(46,357)	(42,349)	–	–
Amortization of prior service cost	(2,029)	(287)	86	85
Recognized net actuarial loss	12,147	20,333	–	703
Net periodic benefit cost	$ 26,699	$ 48,909	$ 6,973	$ 9,003

Weighted-average assumptions used to determine benefit obligations at September 30, 2014 and 2013 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Discount rate for determining benefit obligations at year-end, qualified plan	4.2–4.3%	4.8–4.9%	4.4%	4.9%
Discount rate for determining benefit obligations at year-end, non-qualified plan	4.4%	4.9%	–	–
Rate of compensation increase	2.5–5.0%	3.5–5.0%	–	–

9. Pensions and Postretirement Benefits (continued)

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2014 and 2013 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Discount rate for determining net periodic benefit cost at year-end, qualified plan	4.8–4.9%	3.6–4.0%	4.9%	4.0%
Discount rate for determining net periodic benefit cost at year-end, non-qualified plan	4.9%	4.0%	–	–
Expected rate of return on plan assets	6.75–7.75	6.75–7.75	–	–
Rate of compensation increase	3.5–5.0%	3.5–5.0%	–	–

For measurement purposes relating to the postretirement benefits plan, a 5.0% and 6.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2014 and fiscal 2013, respectively. Rates are assumed to decline to 4.9% through fiscal 2015.

Assumed health care cost trend rate assumptions have a significant effect on the amounts reported. A 1% change in the assumed health care cost trend rate would have the following effects (in thousands):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 14	$ (17)
Effect on postretirement benefit obligations	325	368

9. Pensions and Postretirement Benefits (continued)

The asset allocation of the System's pension plans at September 30, 2014 and 2013, on a combined basis, was as follows:

Asset Category	Target Allocation 2015	Percentage of Assets 2014	2013
Equity securities	35%–90%	44%	44%
Debt securities	10%–40%	22	26
Real assets	0%–26%	15	18
All other assets	0%–22%	19	12
		100%	100%

Financial assets carried at fair value, as of September 30, 2014, are classified in the following tables (see Note 15 for description) (in thousands):

	Level 1	Level 2	Level 3	Total
Money market funds	$ 21,754	$ –	$ –	$ 21,754
U.S. equity securities	109,076	29,461	–	138,537
International equity securities	103,981	40,744	–	144,725
Fixed income:				
U.S. government	59,918	–	–	59,918
Corporate debt	50,530	–	–	50,530
International government	32,038	9,489	–	41,527
Commodities	12,667	–	15,326	27,993
Private equity	–	–	15,267	15,267
Hedge funds:				
Absolute return	–	16,248	13,835	30,083
Multi strategy/other	–	341	25,455	25,796
Long/short equity	–	55,871	28,538	84,409
Real estate	3,489	–	19,444	22,933
Total investments	$ 393,453	$ 152,154	$ 117,865	$ 663,472

9. Pensions and Postretirement Benefits (continued)

Financial assets carried at fair value, as of September 30, 2013, are classified in the following tables (see Note 15 for description) (in thousands):

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 14,883	$ –	$ –	$ 14,883
U.S. equity securities	109,945	23,664	–	133,609
International equity securities	93,715	38,332	–	132,047
Fixed income:				
U.S. government	68,129	–	–	68,129
Corporate debt	52,207	–	–	52,207
International government	25,146	8,297	–	33,443
Commodities	13,396	–	10,718	24,114
Private equity	–	–	10,986	10,986
Hedge funds:				
Absolute return	–	18,452	14,990	33,442
Multi strategy/other	–	44,905	10,505	55,410
Long/short equity	–	26,034	–	26,034
Real estate	3,348	–	18,063	21,411
Total investments	$ 380,769	$ 159,684	$ 65,262	$ 605,715

9. Pensions and Postretirement Benefits (continued)

The following is a rollforward of the pension assets classified as Level 3 of the valuation hierarchy as described in Note 15 (in thousands):

	Commodities	Private Equity	Real Estate	Hedge Funds	Total
Fair value at September 30, 2012	$ 10,707	$ 8,828	$ 16,784	$ 19,268	$ 55,587
2013 realized and unrealized gains and losses	(249)	1,612	1,058	1,801	4,222
2013 purchases	748	938	2,334	8,150	12,170
2013 sales	(488)	(392)	(2,113)	(3,724)	(6,717)
Fair value at September 30, 2013	10,718	10,986	18,063	25,495	65,262
2014 realized and unrealized gains and losses	**1,529**	**2,240**	**1,461**	**3,617**	**8,847**
2014 purchases	**3,963**	**4,184**	**2,932**	**42,000**	**53,079**
2014 sales	**(884)**	**(2,143)**	**(3,012)**	**(3,284)**	**(9,323)**
Fair value at September 30, 2014	**$ 15,326**	**$ 15,267**	**$ 19,444**	**$ 67,828**	**$ 117,865**

The System's investment strategy for its pension assets balances the liquidity needs of the pension plans with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocation of the investment pool to various sectors of the markets is designed to reduce volatility in the portfolio.

The System's pension portfolios return assumption of 7.75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

9. Pensions and Postretirement Benefits (continued)

The future cash flows of the System relative to retirement benefits are expected to be as follows (in thousands):

	Defined Benefit Pension Plans	Postretirement Benefit Plan
Estimated benefit payments related to years ending September 30:		
2015	$ 42,845	$ 2,088
2016	43,514	2,400
2017	46,555	2,640
2018	50,925	2,914
2019	53,211	3,231
2020 to 2024	312,218	22,055

The System expects to make contributions of approximately $57.7 million for pension benefits and approximately $2.1 million for postretirement benefits in fiscal 2015.

10. Professional Liability Insurance

In 1978, Y-NHH and a number of other academic medical centers formed The Medical Centre Insurance Company Ltd. (the Captive) to insure for professional and comprehensive general liability risks. In 1997, the Captive formed MCIC Vermont, Inc. (MCIC) to write direct insurance for the professional and general liability risks of the shareholders. Since 1997, the Captive has acted as a reinsurer for varying levels of per claim limit exposure. MCIC has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage, and are actuarially determined based on actual experience of the System, the Captive, and MCIC.

Y-NHH controls less than 20% of the Class A stock of MCIC; however, for accounting purposes the investment in the insurance companies is recorded on the equity method because of contractual agreements.

10. Professional Liability Insurance

The System entities participate in the Y-NHH insurance program as additional insureds. All System entities initially pay premiums to Y-NHHSC. Y-NHHSC generally assumes the responsibility for ensuring that all the System members pay all premiums owed by them to MCIC. Y-NHHSC manages MCIC's operations for all other System members.

MCIC's policy is to establish retrospective-related premiums for its shareholders equivalent to estimated losses and general and administrative expenses, less estimated investment income, so that its results of operations are breakeven each year. The System accrues premiums as incurred.

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $179.4 million and $182.3 million at September 30, 2014 and 2013, respectively for the System. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $64.0 million and $53.4 million for the System at September 30, 2014 and 2013, respectively, and is included in professional insurance liabilities in the accompanying consolidated balance sheets at the actuarially determined present value of approximately $57.6 million and $47.8 million, respectively, based on a discount rate of 2.5% for the years ended September 30, 2014 and 2013, respectively.

The System has recorded related insurance recoveries receivable of approximately $121.9 million and $134.5 million at September 30, 2014 and 2013, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

Lukan, the Y-NHH sponsored professional liability program, continues to manage all incidents and claims reported to Lukan prior to the acquisition of HSR, as well as extending professional liability coverage for post-acquisition risks to certain affiliated community clinicians.

Prior to the 2012 acquisition of HSR, Caritas provided excess professional liability and general liability insurance to HSR and their employed clinicians. Caritas continues to manage all incidents and claims reported prior to the acquisition of HSR.

10. Professional Liability Insurance (continued)

Caritas and Lukan have recorded the undiscounted estimate for claims-made professional liabilities, and the estimate for incidents that have been incurred but not reported aggregated approximately $29.6 million and $38.7 million at September 30, 2014 and 2013, respectively, and are included in professional liabilities in the accompanying consolidated statements of financial position.

The System's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the System and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

11. Commitments and Contingencies

Leases

The System leases various equipment and properties under several non-cancelable operating leases that range in terms. The System is responsible for operating expenses, as defined, during the lease terms. Future minimum lease payments under these leases are as follows (in thousands):

2015	$ 37,794
2016	33,931
2017	29,555
2018	25,608
2019	22,398
Thereafter	116,661
	$ 265,947

The System incurred rent expense under these leases of approximately $33.0 million and $30.2 million for the years ended September 30, 2014 and 2013, respectively.

11. Commitments and Contingencies (continued)

Cancer Hospital

Y-NHH has a shared facilities and services agreement with in connection with the Cancer Hospital which is recorded as deferred revenue. Deferred revenue, from this agreement, at September 30, 2014 and 2013 was approximately $44.0 million and $45.2 million, respectively.

Inpatient Rehabilitation Unit Agreement

During September 2014, Y-NHH entered into an agreement with another health care provider to provide a framework for implementing programs in a manner that is consistent with the charitable mission of each organization and the communities they serve. Under the terms of the agreement, Y-NHH will utilize beds at the health care provider's location under a lease arrangement to provide inpatient rehabilitation services to its patients and will furnish an $8.0 million term loan.

Litigation

Various lawsuits and claims arising in the normal course of operations are pending, or are in progress against the System. Such lawsuits and claims are either specifically covered by insurance as explained in Note 10, or are deemed immaterial. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or changes in net assets of the System.

The System has received requests for information from certain governmental agencies relating to, among other things, patient billings. These requests cover several prior years relating to compliance with certain laws and regulations. Management is cooperating with those governmental agencies in their information requests and ongoing investigations. The ultimate results of those investigations, including the impact on the System, cannot be determined at this time.

12. Functional Expenses

The System provides general acute health care services to residents within its geographic areas. Net expenses related to providing these services are as follows (in thousands):

	Year Ended September 30	
	2014	2013
Health care services	$ 2,374,449	$ 2,483,922
General and administrative	850,125	660,250
	$ 3,224,574	$ 3,144,172

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30	
	2014	2013
Cafeteria and vending	$ 13,676	$ 13,758
Contributions	5,495	3,924
Parking income	7,902	7,954
Net assets released from restrictions for operations	13,178	12,789
Net assets released from restrictions for free care	613	779
Net assets released from restrictions for medical research and clinical programs	5,269	9,498
Grants	19,533	19,346
Rental income	3,896	3,694
Electronic health records incentive payment	9,231	10,659
Investment income	70	311
Foundation distributed income	2,532	2,400
Other	25,599	33,460
	$ 106,994	$ 118,572

13. Other Revenue (continued)

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2012 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

The System uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the System is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. Medicare EHR incentive payment revenue was approximately $7.4 million and $8.0 million for the years ended September 30, 2014 and 2013, respectively, and Medicaid EHR incentive payment revenue was approximately $1.8 million $2.7 million, respectively, for the years ended September 30, 2014 and 2013. EHR incentive payment revenue is included in other revenue in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the System's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands):

	Year Ended September 30	
	2014	2013
Income from investments, donations and other, net	$ 3,103	$ 1,545
Discontinued operations	–	(1,844)
Income attributable to non-controlling interest	(5,992)	(5,070)
Change in unrealized gains and losses on investments	86,913	58,607
Change in fair value of swap, including counterparty payments	(17,204)	17,597
Loss on refunding of long-term debt	(32,631)	–
	$ 34,189	$ 70,835

Contributions received consisted of the following (in thousands):

	2014	2013
Unrestricted contributions	$ 3,966	$ 4,820
Temporarily restricted contributions	24,185	29,896
Permanently restricted contributions	5,372	1,041
Total contributions	33,523	35,757
Less: Fundraising costs	(9,473)	(9,484)
	$ 24,050	$ 26,273

15. Fair Values of Financial Instruments

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers non-performance risk in the overall assessment of fair value.

ASC No. 820-10 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

15. Fair Values of Financial Instruments (continued)

Financial assets carried at fair value as of September 30, 2014 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 161,059	$ –	$ –	$ 161,059
Money market funds	213,016	–	–	213,016
U.S. equity securities	66,925	–	–	66,925
International equity securities	85,762	–	–	85,762
Fixed income:				
U.S. government	147,701	–	–	147,701
Corporate bonds	27,705	–	–	27,705
Mortgage backed securities	24	–	–	24
International government	52,491	33,828	–	86,319
Beneficial interest in remainder trust	1,947	–	–	1,947
Commodities	397	–	–	397
Real estate	895	–	–	895
Interest in Yale University endowment pool	–	–	752,731	752,731
Investments at fair value	$ 757,922	33,828	$ 752,731	1,544,481
Common collective trusts				176,539
Alternative investments				98,167
Perpetual trusts				17,796
Investments not at fair value				292,502
Total investments				$ 1,836,983
Liabilities:				
Interest rate swaps	$ –	$ (36,134)	$ –	$ (36,134)

15. Fair Values of Financial Instruments (continued)

Financial assets carried at fair value as of September 30, 2013 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 130,847	$ –	$ –	$ 130,847
Money market funds	205,455	–	–	205,455
U.S. equity securities	68,466	–	–	68,466
International equity securities	72,842	–	–	72,842
Fixed income:				
U.S. government	103,888	–	–	103,888
Corporate bonds	20,562	–	–	20,562
Mortgage backed securities	44	–	–	44
International government	43,605	28,501	–	72,106
Beneficial interest in remainder trust	1,832	–	–	1,832
Commodities	691	–	–	691
Real estate	725	–	–	725
Interest in Yale University endowment pool	–	–	568,062	568,062
Investments at fair value	$ 648,957	$ 28,501	$ 568,062	1,245,520
Common collective trusts				118,197
Alternative investments				93,049
Perpetual trusts				12,538
Investments not at fair value				223,784
Total investments				$ 1,469,304
Liabilities:				
Interest rate swaps	$ –	$ (26,489)	$ –	$ (26,489)

The amounts reported in the tables as detailed above do not include assets invested in the System's defined benefit pension plan. In addition, included in the tables above at September 30, 2014 and 2013 are investments in common collective trusts totaling approximately $176.5 million and $118.2 million, respectively, other alternative investments totaling approximately $98.2 million and $93.0 million, respectively, and other perpetual trusts totaling approximately $17.8 million and $12.5 million that are accounted for under the equity method of accounting (see Note 1). The beneficial interest in remainder trust listed in the above tables are included in other assets. The interest rate swaps listed above are classified in the accompanying consolidated balance sheets as "other long-term liabilities" at September 30, 2014 and 2013.

15. Fair Values of Financial Instruments (continued)

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy (in thousands):

Interest in Yale University Endowment Pool	
Fair value at September 30, 2012	$ 408,438
2013 unrealized gains and losses	59,624
2013 purchases	100,000
Fair value at September 30, 2013	568,062
2014 unrealized gains and losses	**84,669**
2014 purchases	**100,000**
Fair value at September 30, 2014	**$ 752,731**

The following is a summary of total investments as of September 30, 2014, with restrictions to redeem the investments at the measurement date, any unfunded capital commitments and investment strategies of the investees (in thousands):

Description of Investment	Carrying Value	Unfunded Commitments	Redemption Frequency	Notice Period	Funds Availability
Private equity	$ 8,272	$ 2,414	N/A	N/A	N/A
Global equity	11,356	N/A	30 days	3 years	N/A
Hedge funds:					
Absolute return	2,496	N/A	N/A	N/A	N/A
Long/short equity	2,460	N/A			
Real estate			N/A	N/A	N/A
Commodities	121	N/A	N/A	N/A	N/A

The fair value of long-term debt was approximately $934.3 million and $770.1 million at September 30, 2014 and 2013, respectively. The fair value of the capital leases was approximately $74.7 million and $55.5 million at September 30, 2014 and 2013, respectively.

16. Subsequent Events

In October 2014, Y-NHH disposed of its interest in Lukan and Caritas (the Captives) through a novation agreement with MCIC for a total price of approximately $40.2 million. The novation agreement assigns and transfers all of the Captives' past, present and future rights, risks, liabilities and obligations, and transfers substantially all of the assets of the Captives to MCIC. Y-NHH will dissolve the Captives during fiscal year 2015.

In fiscal year 2015, GHCS anticipates dissolving its wholly owned subsidiary, Greenwich Health Services, Inc. a Connecticut business corporation.

Management has evaluated subsequent events through December 23, 2014, which is the date the consolidated financial statements were available to be issued. No other events have occurred that require disclosure or adjustment to the consolidated financial statements.

Supplementary Information

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Report of Independent Auditors on Supplementary Information

Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries as of and for the years ended September 30, 2014, and have issued an unmodified report thereon dated December 23, 2014. The accompanying consolidating balance sheets and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

Ernst + Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Balance Sheet

September 30, 2014

	Yale-New Haven Health Services Corporation	NEMG	Yale-New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
					(In Thousands)					
Assets										
Current assets:										
Cash and cash equivalents	$ 11,210	$ 2,974	$ 69,250	$ 29,461	$ –	$ 112,895	$ 47,945	$ 3,873	$ (3,654)	$ 161,059
Short-term investments	10,172	–	926,024	72,752	–	1,008,948	31,934	–	–	1,040,882
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity, and free care	–	13,324	264,671	49,732	–	327,727	40,615	2,154	(2,154)	368,342
Professional liabilities insurance recoveries receivable – current portion	–	–	18,968	8,273	–	27,241	8,030	–	–	35,271
Other current assets	120,086	6,699	106,368	21,191	(182,901)	71,443	18,789	8,354	(25,774)	72,812
Amounts on deposit with trustee in debt service fund	–	–	4,394	247	–	4,641	–	–	–	4,641
Total current assets	141,468	22,997	1,389,675	181,656	(182,901)	1,552,895	147,313	14,381	(31,582)	1,683,007
Assets limited as to use	–	–	124,869	5,066	–	129,935	103,615	–	–	233,550
Long-term investments	11,524	–	263,938	54,499	–	329,961	64,943	–	–	394,904
Deferred financing costs, less accumulated amortization	10,575	–	9,285	1,290	(10,575)	10,575	418	–	–	10,993
Professional liabilities insurance recoveries receivable – non-current	–	–	49,433	19,303	–	68,736	17,916	–	–	86,652
Goodwill	52,050	267	44,818	17,217	–	114,352	–	–	–	114,352
Other assets	977,027	2,013	172,823	28,755	(998,851)	181,767	15,329	10,305	(19,299)	188,102
Property, plant, and equipment, net	169,740	3,041	898,678	129,200	–	1,200,659	254,915	8,444	(8,444)	1,455,574
Construction in progress	662	203	27,576	37,001	–	65,442	601	–	–	66,043
	170,402	3,244	926,254	166,201	–	1,266,101	255,516	8,444	(8,444)	1,521,617
Total assets	$ 1,363,046	$ 28,521	$ 2,981,095	$ 473,987	$(1,192,327)	$ 3,654,322	$ 605,050	$ 33,130	$ (59,325)	$ 4,233,177

DOHP0337

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
Consolidating Balance Sheet (continued)

	Yale-New Haven Health Services Corporation	NEMG	Yale-New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
					(In Thousands)					
Liabilities and net assets										
Current liabilities:										
Accounts payable and accrued expenses	$ 83,238	$ 21,227	$ 353,524	$ 68,966	$ (81,694)	$ 445,261	$ 33,886	$ 6,167	$ (15,916)	$ 469,398
Current portion of long-term debt	10,945	–	7,626	9,262	(10,945)	16,888	2,605	–	–	19,493
Current portion of capital lease obligation	–	–	2,963	–	–	2,963	–	1,134	(1,134)	2,963
Professional liabilities – current portion	–	–	18,968	8,273	–	27,241	8,030	–	–	35,271
Other current liabilities	–	3,163	17,922	4,590	–	25,675	14,757	127	(127)	40,432
Total current liabilities	94,183	24,390	401,003	91,091	(92,639)	518,028	59,278	7,428	(17,177)	567,557
Long-term debt, net of current portion	874,253	–	802,124	79,882	(874,253)	882,006	35,105	–	–	917,111
Long-term capital lease obligations, net of current portion	–	–	50,838	20,160	–	70,998	–	1,985	(1,985)	70,998
Accrued pension and postretirement benefit obligations	9,446	–	231,477	58,281	(9,446)	289,758	31,684	–	–	321,442
Professional liabilities	–	–	115,868	33,169	–	149,037	24,769	–	–	173,806
Other long-term liabilities	235,173	–	215,877	34,631	(215,989)	269,692	18,296	8,726	(25,453)	271,261
Deferred revenue	–	–	44,378	–	–	44,378	–	–	–	44,378
Total liabilities	1,213,055	24,390	1,861,565	317,214	(1,192,327)	2,223,897	169,132	18,139	(44,615)	2,366,553
Net assets										
Unrestricted	149,991	4,131	1,019,306	101,751	–	1,275,179	368,596	14,991	(14,710)	1,644,056
Temporarily restricted	–	–	64,318	33,279	–	97,597	44,115	–	–	141,712
Permanently restricted	–	–	35,906	21,743	–	57,649	23,207	–	–	80,856
Total net assets	149,991	4,131	1,119,530	156,773	–	1,430,425	435,918	14,991	(14,710)	1,866,624
Total liabilities and net assets	$ 1,363,046	$ 28,521	$ 2,981,095	$ 473,987	$(1,192,327)	$ 3,654,322	$ 605,050	$ 33,130	$ (59,325)	$ 4,233,177

DOHP0338

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30, 2014

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
					(In Thousands)					
Operating revenue:										
Net patient service revenue	$ –	$ 128,512	$ 2,448,983	$ 459,680	$ –	$ 3,037,175	$ 374,260	$ 26,621	$ (26,621)	$ 3,411,435
Less: Provision for bad debts	–	(5,357)	(72,829)	(20,305)	–	(98,491)	(25,252)	(136)	136	(123,743)
Net patient service revenue, less provision for bad debts	–	123,155	2,376,154	439,375	–	2,938,684	349,008	26,485	(26,485)	3,287,692
Other revenue	398,814	81,519	60,453	27,566	(413,061)	155,291	12,533	3,132	(63,962)	106,994
Total operating revenue	398,814	204,674	2,436,607	466,941	(413,061)	3,093,975	361,541	29,617	(90,447)	3,394,686
Operating expenses:										
Salaries and benefits	192,834	148,203	1,050,746	201,556	59	1,593,398	150,739	6,740	(6,740)	1,744,137
Supplies and other expenses	104,536	92,281	1,096,590	194,392	(334,696)	1,153,103	160,243	21,899	(83,528)	1,251,717
Depreciation and amortization	57,229	2,234	124,012	31,016	(42,007)	172,484	26,218	1,284	(7,914)	192,072
Insurance	35,637	7,577	8,275	480	(36,417)	15,552	(1,142)	(6,587)	1,908	9,731
Interest	–	–	24,002	2,566	–	26,568	349	260	(260)	26,917
Total operating expenses	390,236	250,295	2,303,625	430,010	(413,061)	2,961,105	336,407	23,596	(96,534)	3,224,574
Income (loss) from operations	8,578	(45,621)	132,982	36,931	–	132,870	25,134	6,021	6,087	170,112
Non-operating gains (losses), net:										
Income from investments, donations and other, net	12,119	–	76,791	5,852	–	94,762	1,381	(2,568)	(9,551)	84,024
Change in fair value of swap, including counter party payments	–	–	(16,357)	–	–	(16,357)	(847)	–	–	(17,204)
Loss on refunding of long-term debt	–	–	(32,631)	–	–	(32,631)	–	–	–	(32,631)
Excess (deficiency) of revenue over expenses	20,697	(45,621)	160,785	42,783	–	178,644	25,668	3,453	(3,464)	204,301

(Continued on following page)

DOHP0339

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2014

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Eliminations	Obligated Group	Greenwich Health Care Services, Inc. and Subsidiaries	Other Non-Obligated Entities	Eliminations	Total
				(In Thousands)						
Unrestricted net assets:										
Excess (deficiency) of revenue over expenses	$ 20,697	$ (45,621)	$ 160,785	$ 42,783	$ –	$ 178,644	$ 25,668	$ 3,453	$ (3,464)	$ 204,301
Other changes in net assets	–	–	(366)	(115)	–	(481)	266	–	–	(215)
Transfer from (to) HSC for PriMed	48,438	1,562	(25,000)	(25,000)	–	–	–	–	–	–
Transfer to NEMG	(13,897)	45,621	(14,042)	(17,682)	–	–	–	–	–	–
Net assets released from restrictions for purchases of fixed assets	–	–	1,502	2,445	–	3,947	–	–	–	3,947
Pension and other postretirement liability adjustments	–	–	(44,799)	(20,970)	–	(65,769)	(9,490)	–	–	(75,259)
Increase (decrease) in unrestricted net assets	55,238	1,562	78,080	(18,539)	–	116,341	16,444	3,453	(3,464)	132,774
Temporarily restricted net assets:					–					
Income from investments	–	–	298	–	–	298	1,091	–	–	1,389
Net realized and unrealized gains on investments	–	–	7,064	3,691	–	10,755	2,417	–	–	13,172
Bequests and contributions	–	–	7,457	6,328	–	13,785	7,074	–	–	20,859
Net assets released from restrictions for purchases of fixed assets	–	–	(1,502)	(2,445)	–	(3,947)	–			(3,947)
Net assets released from restrictions for operations	–	–	(3,099)	(7,069)	–	(10,168)	(3,010)	–	–	(13,178)
Net assets released from restrictions for clinical programs	–	–	(5,882)	–	–	(5,882)	–	–	–	(5,882)
Other changes in net assets	–	–	–	741	–	741	–	–	–	741
Increase in temporarily restricted net assets	–	–	4,336	1,246	–	5,582	7,572	–	–	13,154
Permanently restricted net assets:					–					
Bequests and contributions	–	–	3,492	955	–	4,447	925	–	–	5,372
Net realized and unrealized on investments	–	–	–	–	–	–	46	–	–	46
Changes in beneficial interest in perpetual trusts	–	–	5,259	–	–	5,259	–	–	–	5,259
Increase in permanently restricted net assets	–	–	8,751	955	–	9,706	971	–	–	10,677
Increase (decrease) in net assets	55,238	1,562	91,167	(16,338)	–	131,629	24,987	3,453	(3,464)	156,605
Net assets at beginning of year	94,753	2,569	1,028,363	173,111	–	1,298,796	410,931	11,538	(11,246)	1,710,019
Net assets at end of year	$ 149,991	$ 4,131	$ 1,119,530	$ 156,773	$ –	$ 1,430,425	$ 435,918	$ 14,991	$ (14,710	1,866,624

DOHP0340

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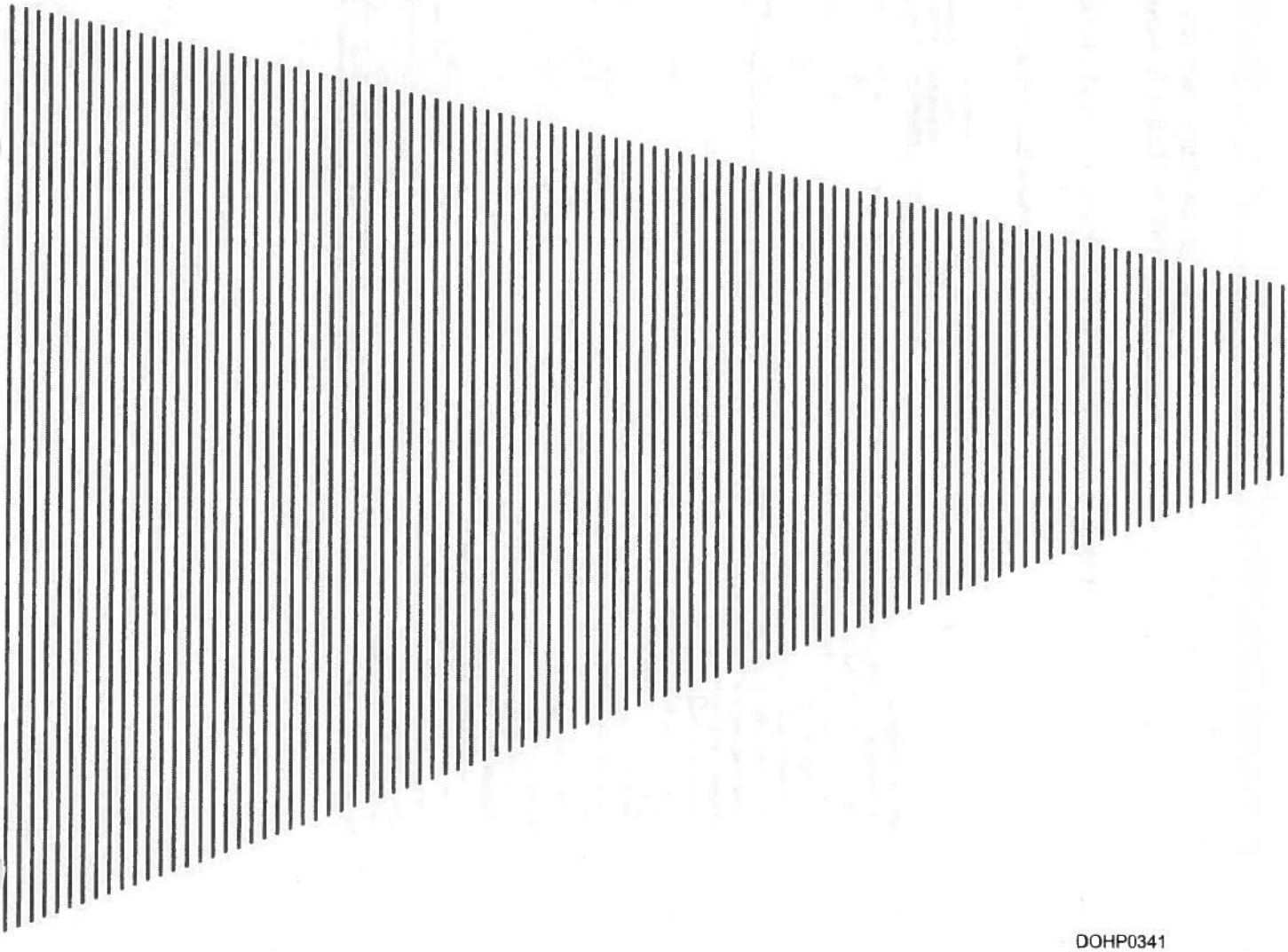

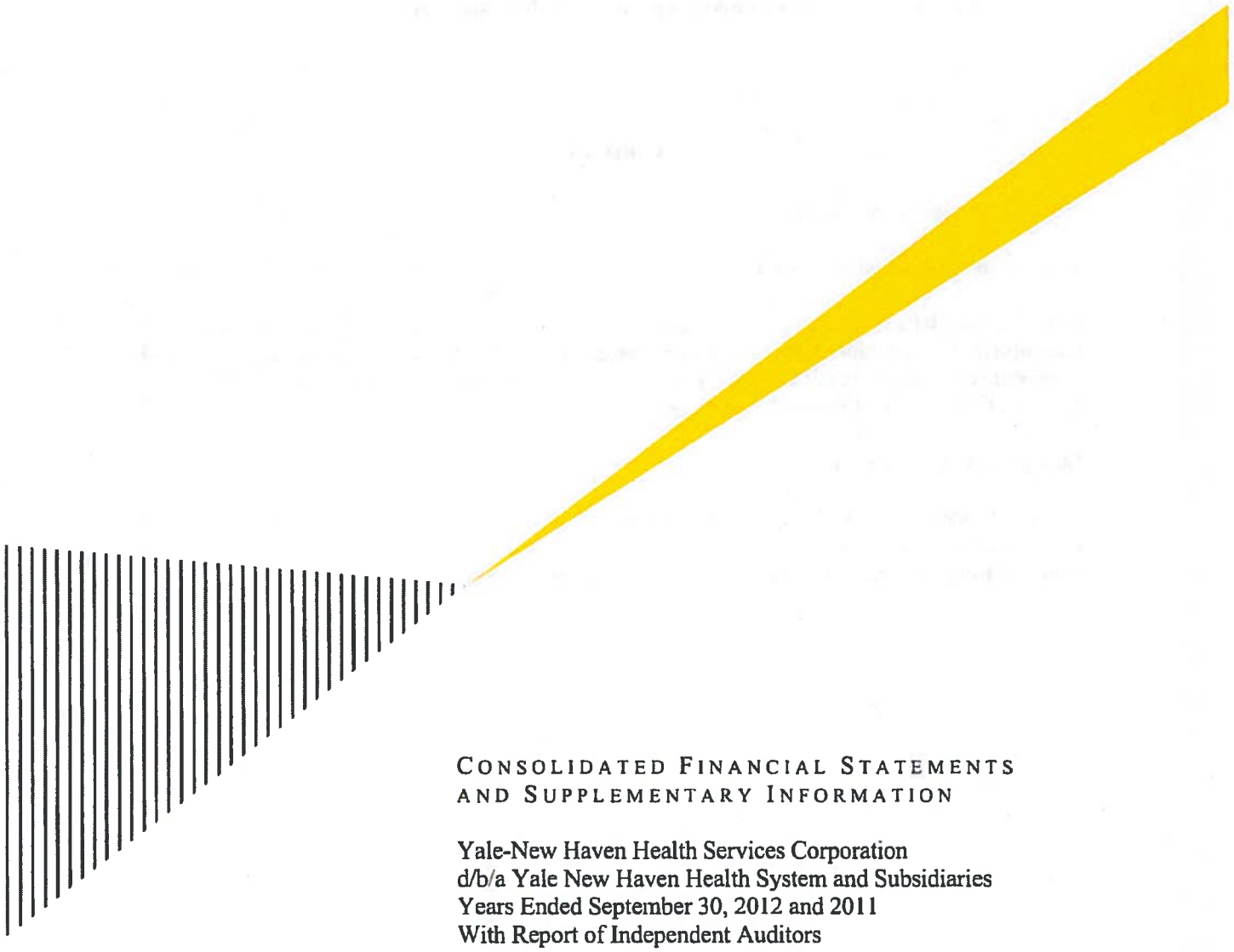

Consolidated Financial Statements and Supplementary Information

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
Years Ended September 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

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DOHP0342

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2012 and 2011

Contents

Report of Independent Auditors....1

Consolidated Financial Statements

Consolidated Balance Sheets....2
Consolidated Statements of Operations and Changes in Net Assets....4
Consolidated Statements of Cash Flows....6
Notes to Consolidated Financial Statements....7

Supplementary Information

Report of Independent Auditors on Supplementary Information....56
Consolidating Balance Sheet....57
Consolidating Statement of Operations and Changes in Net Assets....59

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Report of Independent Auditors

Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited the accompanying consolidated balance sheets of Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (the "System") as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the System's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Yale-New Haven Health Services Corporation d/b/a Yale New Haven Health System and Subsidiaries as of September 30, 2012 and 2011, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended, in conformity with generally accepted accounting principles in the U.S.

As discussed in Notes 1 and 9 to the accompanying consolidated financial statements, in 2012 the System changed its method of accounting for estimated insurance claims receivable and insurance claims liabilities with the adoption of Accounting Standards Update 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries.*

Ernst + Young LLP

December 21, 2012

A member firm of Ernst & Young Global Limited

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Balance Sheets

	September 30 2012	2011
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 129,943	$ 149,500
Short-term investments	707,392	501,219
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity, and free care of approximately $96,568,000 in 2012 and $75,889,000 in 2011	293,373	251,785
Professional liabilities insurance recoveries receivable –current portion	29,336	27,727
Other current assets	129,764	105,695
Amounts on deposit with trustee in debt service fund	8,494	9,936
Total current assets	1,298,302	1,045,862
Assets limited as to use	195,121	211,567
Long-term investments	276,298	254,037
Deferred financing costs, less accumulated amortization	5,649	5,981
Professional liabilities insurance recoveries receivable –non-current	80,128	93,678
Goodwill	35,952	267
Other assets	168,749	140,175
Property, plant, and equipment, net	1,375,209	1,243,160
Construction in progress	154,184	99,060
	1,529,393	1,342,220
Total assets	$ 3,589,592	$ 3,093,787

	September 30 2012	2011
	(In Thousands)	
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 407,053**	$ 321,254
Current portion of long-term debt	**51,590**	16,470
Current portion of capital lease obligation	**56,313**	3,873
Professional liabilities –current portion	**29,336**	27,727
Other current liabilities	**31,913**	22,736
Total current liabilities	**576,205**	392,060
Long-term debt, net of current portion	**762,525**	601,466
Long-term capital lease obligations, net of current portion	**56,490**	112,833
Accrued pension and postretirement benefit obligations	**401,923**	345,177
Professional liabilities	**162,762**	139,779
Other long-term liabilities	**243,192**	210,840
Deferred revenue	**53,625**	48,321
Total liabilities	**2,256,722**	1,850,476
Commitments and contingencies		
Net assets:		
Unrestricted	**1,159,608**	1,084,796
Temporarily restricted	**104,857**	93,519
Permanently restricted	**68,405**	64,996
Total net assets	**1,332,870**	1,243,311
Total liabilities and net assets	**$ 3,589,592**	$ 3,093,787

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2012	**2011**
	(In Thousands)	
Operating revenue:		
Net patient service revenue	**$ 2,537,034**	$ 2,229,193
Other revenue	**104,901**	87,126
Total operating revenue	**2,641,935**	2,316,319
Operating expenses:		
Salaries and benefits	**1,343,655**	1,221,438
Supplies and other expenses	**923,342**	792,943
Depreciation and amortization	**119,168**	111,239
Insurance	**22,005**	24,511
Bad debts	**65,802**	49,115
Interest	**21,192**	20,435
Total operating expenses	**2,495,164**	2,219,681
Income from operations	**146,771**	96,638
Non-operating gains and losses, net:	**11,868**	(5,194)
Excess of revenue over expenses	**158,639**	91,444

(Continued on next page).

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2012	**2011**
	(In Thousands)	
Unrestricted net assets:		
Excess of revenue over expenses (continued)	**$ 158,639**	$ 91,444
Other changes in net assets	**937**	1,264
Net assets released from restrictions for purchases of fixed assets	**1,911**	2,718
Contributed property released from restriction	**–**	2,100
Pension and other postretirement liability adjustments	**(86,675)**	(61,949)
Increase in unrestricted net assets	**74,812**	35,577
Temporarily restricted net assets:		
Income from investments	**280**	460
Net realized and unrealized gains on investments	**15,512**	4,989
Bequests and contributions	**22,601**	24,566
Net assets released from restrictions for purchases of fixed assets	**(1,911)**	(2,718)
Net assets released from restrictions for operations	**(11,696)**	(14,020)
Net assets released from restrictions for clinical programs	**(13,693)**	(16,977)
Net assets released from restrictions used for non-operating activities	**(139)**	(6)
Contributed property released from restriction	**–**	(2,100)
Other changes in net assets	**384**	243
Increase (decrease) in temporarily restricted net assets	**11,338**	(5,563)
Permanently restricted net assets:		
Bequests and contributions	**891**	1,818
Net realized and unrealized losses on investments	**1,297**	(1,198)
Change in beneficial interest in perpetual trusts	**1,221**	(733)
Increase (decrease) in permanently restricted net assets	**3,409**	(113)
Increase in net assets	**89,559**	29,901
Net assets at beginning of year	**1,243,311**	1,213,410
Net assets at end of year	**$ 1,332,870**	$ 1,243,311

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2012	2011
	(In Thousands)	
Cash flows from operating activities		
Increase in net assets	$ 89,559	$ 29,901
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	119,168	111,239
Net realized and change in net unrealized gains and losses on investments	(72,964)	16,098
Change in fair value of interest rate swap agreements	7,741	4,918
Amortization of long-term debt premium	(854)	(885)
Bad debts	65,802	49,115
Amortization of deferred financing costs	332	343
Change in perpetual trusts	(2,490)	(196)
Bequests, and contributions, net of pledges	(26,352)	(28,701)
Pension and other postretirement liability adjustments	86,675	61,949
Changes in operating assets and liabilities:		
Accounts receivable, net	(107,390)	(95,688)
Other assets	36,556	(70,652)
Accounts payable and accrued expenses	39,380	16,667
Professional insurance recoveries and liabilities	36,533	1,637
Other liabilities	(31,570)	22,257
Net cash provided by operating activities	240,126	118,002
Cash flows from investing activities		
Net acquisitions of property, plant, and equipment	(213,551)	(165,260)
Capitalized interest	3,278	3,054
Cash paid for the acquisition, net of cash acquired	(133,800)	—
Net change in investments	(155,470)	(47,093)
Amounts deposited with trustee in debt service fund	1,442	(3,866)
Assets limited as to use	18,936	(67,607)
Net cash used in investing activities	(479,165)	(280,772)
Cash flows from financing activities		
Proceeds from issuance of debt	40,733	112,036
Proceeds from notes payable	217,235	40,000
Repayments of long-term debt	(60,935)	(19,563)
Payments on capital lease obligations	(3,903)	(3,425)
Deferred financing costs	—	(1,956)
Bequests, and contributions, net of pledges	26,352	28,701
Net cash provided by financing activities	219,482	155,793
Net decrease in cash and cash equivalents	(19,557)	(6,977)
Cash and cash equivalents at beginning of year	149,500	156,477
Cash and cash equivalents at end of year	$ 129,943	$ 149,500

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale-New Haven Health System and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2012

1. Organization and Significant Accounting Policies

Yale-New Haven Health Services Corporation ("Y-NHHSC"), formed in 1983, was incorporated under the Not-for-Profit Corporation Law to coordinate the activities of the members of the Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (collectively, the "System"), and is an integrated regional health care delivery system. The System currently includes the following entities:

Y-NHHSC is the parent company of YNH Network Corporation ("YNHNC") and Y-NHH-MSO, Inc. ("MSO"), as well as the sole member of Bridgeport Hospital & Healthcare Services, Inc. ("BHHS"), Greenwich Health Care Services, Inc. ("GHCS") and Northeast Medical Group, Inc ("NEMG").

YNHNC was incorporated as of April 1, 1998, and is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3). Under the terms of an assignment and assumption agreement executed on May 10, 2001, YNHNC became the sole member of Yale-New Haven Hospital, Inc. and the parent organization of Yale-New Haven Ambulatory Services Corporation and York Enterprises, Inc. and Subsidiaries. YNHNC is the parent of:

- Yale-New Haven Hospital, Inc. ("Y-NHH"), a voluntary association incorporated under the General Statutes of the State of Connecticut. The Board of Trustees of Y-NHH, appointed by YNHNC, controls the operations of Y-NHH.

- YNHCCC, a Connecticut non stock corporation, is a wholly-owned subsidiary of Yale-New Haven Network Corporation ("YNHNC"). YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury, or a traumatic major illness. Its services include respite care for family members and caregivers, stroke recovery for victims of strokes, orthopedic recovery services, medications and diagnostic services (such as radiological services).

- Yale-New Haven Ambulatory Services Corporation ("ASC"), a Connecticut non-stock, taxable corporation, operates a recovery care centers, and is 51% owner of Shoreline Surgery Center, LLC ("SSC") and SSC II, LLC.

1. Organization and Significant Accounting Policies (continued)

- York Enterprises, Inc. and Subsidiaries ("York"), a Connecticut corporation formed for the purpose of initiating or acquiring business entities. Currently, York has two subsidiaries: Medical Center Pharmacy and Home Care, Inc. ("MCP") and Medical Center Realty, Inc. ("MCR"). MCP is a Connecticut stock, for-profit company, which operated a retail pharmacy with multiple locations until February 2011. MCR is a Connecticut stock, for-profit company, which owns or holds leases on the System's affiliated commercial space. York is the sole shareholder of MCP and MCR.

- Quinnipiac Medical Center P.C. ("QMPC") and Community Health Care Physicians ("CHCP") are Connecticut stock, for-profit, professional corporations formed in 1994 and 1996, respectively, to employ New Haven area primary care physicians. All of the stock of QMPC and CHCP is owned by the Chief of Staff of Y-NHH, who has assigned his rights in QMPC and CHCP to YNHNC.

BHHS is a Connecticut not-for-profit, non-stock corporation established to promote and carry out charitable, scientific, and educational activities. Y-NHHSC is the sole member of BHHS. BHHS and its subsidiaries have continued to operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of BHHS. BHHS is the sole member of the following not-for-profit, non-stock corporations:

- Bridgeport Hospital, a voluntary association incorporated under the General Statutes of the State of Connecticut, provides health care services to the Fairfield County community.

- Bridgeport Hospital Foundation solicits contributions for the benefit of BHHS, Bridgeport Hospital, and all other tax-exempt health care organizations associated with BHHS.

- Southern Connecticut Health System Properties, Inc. is a real estate holding company, which sold primarily all of its assets to Bridgeport Hospital during 1998.

NEMG is a tax-exempt medical foundation that provides physician-related services to Bridgeport, Greenwich, and Yale-New Haven Hospitals and their surrounding communities. NEMG commenced on April 1, 2010 using the existing legal infrastructure of its predecessor, Mill Hill. NEMG operates autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of NEMG.

1. Organization and Significant Accounting Policies (continued)

GHCS is the parent corporation of a group of wholly owned subsidiaries, including Greenwich Hospital, The Perryridge Corporation, Greenwich Health Care Services, Inc. ("GHSI"), the Greenwich Hospital Endowment Fund, Inc., and Greenwich Ambulatory Surgery Center, LLC ("GASC"). GHCS and its subsidiaries, with the exception of GHSI, are Section 501(c)(3) not-for-profit organizations, and are exempt from federal income taxes under Section 501(a) of the Code. Greenwich Hospital, a non-stock Connecticut corporation, is a wholly owned subsidiary of GHCS (the sole member), providing health care services to the lower Fairfield County and Westchester County, New York communities. GHCS and its subsidiaries have continued to operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, any transfer of assets, and Board of Director appointments of GHCS and its subsidiaries.

On October 21, 2010, GASC entered into an agreement to operate Orthopedic & Neurosurgery Center of Greenwich, LLC (the JV), for the purpose of providing outpatient surgical services in the greater Fairfield County and Westchester County communities. GASC holds governance control of the JV and a 35% equity interest as of September 30, 2011. Accordingly, the accounts of the JV have been included in the balance sheets of GASC. The non-controlling interest in the JV is reported in the consolidated financial statements.

MSO, a for-profit stock corporation, was formed to manage physician practices and provide third-party administration services on certain managed care contracts. The capital stock of MSO consists of 20,000 shares of common stock, par value of one one-hundredth of a dollar per share. The Board of Directors of MSO is appointed by Y-NHHSC, the sole shareholder, who controls MSO's operations.

1. Organization and Significant Accounting Policies (continued)

Acquisition

On September 12, 2012, the Hospital, ASC, YNHCCC, and York, acquired substantially all of the business, assets, and operations and assumed certain liabilities of the Saint Raphael Healthcare System, Inc. ("SRHS"), including substantially all of the assets of its wholly-owned subsidiary, the Hospital of Saint Raphael ("HSR"), a 511-bed acute care hospital located in New Haven, CT. Other affiliates of SRHS whose assets were acquired in connection with the transaction include the following:

- Saint Regis Health Center, Inc. d/b/a Sister Anne Virginie Grimes Health Center ("Grimes"), a tax-exempt, skilled nursing facility that operated with 120 licensed beds which was a wholly-owned subsidiary of SRHS. In connection with the transaction, YNHCCC acquired substantially all of the land, buildings, equipment and bed licenses associated with Grimes.

- Caritas Insurance Company, Ltd. ("Caritas"), a Vermont-domiciled, captive insurance company licensed under Chapter 141 of Title 8 of the Vermont Statutes Annotated. Caritas is a tax-exempt supporting organization having the Hospital as its sole shareholder. Caritas provides excess professional liability coverage and general liability coverage. Caritas was a wholly-owned subsidiary of HSR. In connection with the transaction the Hospital acquired 100% of the stock of Caritas.

- Lukan Indemnity Company, Ltd. ("Lukan"), a Bermuda-domiciled captive insurance company that provides primary professional liability coverage. Lukan was a wholly-owned subsidiary of HSR. In connection with the transaction, the Hospital acquired 100% of the stock of Lukan.

- DePaul Health Services Corporation ("DePaul"), a Connecticut nonstock corporation which held interests in investments and other assets on behalf of HSR. In connection with the transaction, ASC acquired certain interests in investments from DePaul.

- Saint Raphael Foundation, Inc. (the "Foundation"), a tax-exempt fundraising foundation of HSR which was a subsidiary of SRHS. In connection with the transaction, certain assets of the Foundation were acquired by the Hospital.

1. Organization and Significant Accounting Policies (continued)

The total consideration transferred by the Hospital, ASC, YNHCCC and York was approximately $237.9 million, including $160.0 million in cash and an installment payable plus the assumption of liabilities totaling $77.9 million, as follows (in thousands).

Cash consideration	$ 150,000
Installment payments	10,000
Assumption of liabilities	77,927
Total consideration transferred	$ 237,927

The acquisition of HSR included installment payments in the amount of $10 million payable in two equal installments in October 2012 and March 2013. The first installment payment of $5 million was made on October 12, 2012.

The Hospital and its affiliates have accounted for the business combination applying the acquisition method of accounting in accordance with Accounting Standards Codification Topic 805, *Business Combinations*.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the acquisition date. Determining the fair value of the assets acquired and liabilities assumed requires judgment and involves the use of significant accounting estimates and assumptions, including assumptions with respect to future cash inflows and outflows and discount rates, among others.

	Hospital	ASC	YNHCCC	York	Total
Assets acquired:					
Cash	$ 16,200	$ –	$ –	$ –	$ 16,200
Other current assets	7,240	–	–	187	7,427
Other receivables	7,400	–	–	–	7,400
Goodwill	35,685	–	–	–	35,685
Other long-term assets	53,771	12,500	700	–	66,971
Property, plant and equipment	100,156	–	4,075	13	104,244
	220,452	12,500	4,775	200	237,927
Liabilities assumed:					
Accrued expenses	36,419	–	775	–	37,194
Other long-term liabilities	40,733	–	–	–	40,733
Total	77,152	–	775	–	77,927
Assets and liabilities acquired	$ 143,300	$ 12,500	$ 4,000	$ 200	$ 160,000
Cash paid for acquisition	$ 150,000	$ –	$ –	$ –	$ 150,000
Installment payments	$ 10,000	$ –	$ –	$ –	10,000
Change in net assets					$ –

1. Organization and Significant Accounting Policies (continued)

The Hospital recorded goodwill in the amount of $35.7 million. In determining the amount of goodwill, all assets acquired and liabilities assumed were measured at fair value as of the acquisition date. Factors contributing to goodwill that resulted from the acquisition include, but are not limited to, the efficiencies that will result from the combination of the campuses and their proximity.

As part of the acquisition ASC acquired a non-controlling interest in the following investments previously owned by HSR:

- YNHASC acquired a 49% equity interest in Saint Raphael Dialysis Center ("SDC"). SDC is an outpatient dialysis center with 4 locations to treat people with chronic kidney failure.
- YNHASC acquired a 50% equity interest in Saint Raphael Magnetic Resonance Partnership ("SRMP") SRMP provides radiology services using a magnetic resonance imaging machine.
- YNHASC acquired a 49% equity interest in Connecticut CK Leasing LLC ("CCK"). CCK provides radiation to treat malignant and benign tumors.

Total assets and liabilities of SDC, SRMP and CCK were approximately $16.4 million and $2.7 million respectively, at September 30, 2012.

YNHCCC, ASC and York each respectively paid amounts equal to the fair values for assets acquired, net of liabilities assumed, with cash provided by the Hospital.

The results of HSR for the period September 12, 2012 through September 30, 2012 have been combined with the Hospital and included in the consolidated financial statements.

1. Organization and Significant Accounting Policies (continued)

The following table summarizes amounts attributed to SRHS since the acquisition date that are included in the accompanying consolidated financial statements (in thousands):

	Period From September 12, 2012 to September 30, 2012
Total operating revenue	$ 23,554
Total operating expense	24,850
Loss from operations	(1,296)
Non-operating gains and losses, net	71
Deficiency of revenue over expenses	$ (558)
Change in net assets:	
Unrestricted net assets	$ (1,201)
Temporarily restricted net assets	—
Permanently restricted net assets	—
Total change in net assets	$ (1,201)

The following table represents pro forma financial information, assuming the acquisition of SRHS had taken place October 1, 2010. The pro forma information includes adjustments for the amortization of intangible assets. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transaction been effected on the acquisition date (in thousands).

	Year Ended September 30, 2012	2011
Total operating revenue	**$ 3,159,949**	$ 2,835,321
Total operating expense	**3,029,729**	2,738,568
Loss from operations	**130,220**	96,753
Non-operating gains and losses, net	**13,235**	(4,392)
Excess of revenue over expenses	**$ 143,455**	$ 92,361
Change in net assets:		
Unrestricted net assets	**$ 75,395**	$ 10,714
Temporarily restricted net assets	**7,161**	(3,971)
Permanently restricted net assets	**165**	(1,945)
Total change in net assets	**$ 82,721**	$ 4,798

1. Organization and Significant Accounting Policies (continued)

Disposal

In 2011 MCP sold all of the fixed assets at all of its five locations and the business operations to Walgreens for approximately $5.0 million. The gain on sale, resulting from the transaction was approximately $4.9 million, which is included in non-operating gains and losses in the accompanying consolidated statements of operations and changes in net assets. The following table summarizes the disposal group:

	September 30, 2011
Carrying value of disposed assets	$ 150,334
Carrying value of disposed liabilities	–
Revenue	8,472,388
Pre-tax profit/(loss) of disposal group	(564,358)

The other current assets and property, plant, and equipment acquired by York as part of the SRHS transaction relate to a retail pharmacy acquired that began operations as of the acquisition date.

Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the System and its subsidiaries. All significant intercompany revenue and expenses and inter-company balance sheet accounts have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

1. Organization and Significant Accounting Policies (continued)

During fiscal 2012 and 2011, the System recorded a change in estimate of approximately $16.8 and $16.4 million, respectively. Included in the change are amounts related to unfavorable third-party payor settlements at September 30, 2012 and 2011.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose, and appreciation on permanently restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. The System is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from the trusts is unrestricted, and the assets are classified as permanently restricted.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recognized as revenue, and is classified as either unrestricted or temporarily restricted in accordance with donor-imposed restrictions, if any, on the contributions.

Capital Campaign and Pledges Receivable

Contributions and pledges receivable, included in other current assets and other assets in the accompanying consolidated balance sheets at September 30, 2012 and 2011, are expected to be received as follows (in thousands):

	September 30	
	2012	**2011**
Less than one year	**$ 3,357**	$ 1,366
One to five years	**2,454**	1,696
	5,811	3,062
Less unamortized discount on contributions receivable (0.3% to 4.2%)	**(108)**	(174)
	5,703	2,888
Allowance for uncollectible contributions	**(149)**	(90)
Contributions receivable, net	**$ 5,554**	$ 2,798

1. Organization and Significant Accounting Policies (continued)

Excluded from contributions receivable are certain items, primarily letters of intent, which are not legally binding, and gifts conditional on events that have not yet occurred.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use, and which are not maintained in the short-term or long-term investment portfolios.

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is the System's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

Investments

The System has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

1. Organization and Significant Accounting Policies (continued)

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value (quoted market prices) in the accompanying consolidated balance sheets.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the System holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the "University") reported net asset value per unit for measurement of the units' fair value for the Yale University investment. Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the System's holdings may be determined by the investment manager or general partner. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the System to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors. The System has made investment commitments of approximately $82.7 million in these alternative investments, of which approximately $77.4 million has been funded as of September 30, 2012 and 2011, respectively.

The System participates in the Yale New Haven Health System Investment Trust (the "Trust"), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust is comprised of two pools: the Long-Term Investment Pool ("L-TIP") and the Intermediate-Term Investment Pool ("I-TIP"). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

Under the terms of the investment management agreement with the Trust, withdrawals of investments in the L-TIP can be made annually by each Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2011, each Hospital can withdrawal 100% of its investment in the L-TIP on July 1, 2012. Withdrawals of investments in the I-TIP in any amount can be made quarterly with 30 days advance notice.

1. Organization and Significant Accounting Policies (continued)

The Trust has entered into an agreement with The University's investment office (the "Investment Management Agreement") which allows the University to manage a portion of Trust's investments as part of the University's Endowment Pool (the "Pool"). Under the terms of the agreement for the years ended September 30, 2012 and 2011, the Trust transferred $50 million and $100.0 million, respectively, to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income, and cash.

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1 For withdrawals of amounts less than $150.0 million or 75% of the Trust's investment in the Pool, $100.0 million or 50% of the Trust's investment in the Pool, and $50.0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In March 2006, YNHNC entered into an arrangement with the University, whereby the University will manage certain Board-designated assets of YNHNC. These Board-designated assets are commingled in the University's endowment pool. As of September 30, 2012 and 2011, the carrying value of assets managed by the University under this agreement was approximately $8.5 million and $8.6 million, respectively. Because of the limitations on their use, the assets are separately classified from assets invested under the Investment Management Agreement.

In 2011, the investment management agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances interest of U.S. Prime rate, plus two percent (2%) will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of Trust's units in the Endowment using the June 30th unit valuation. No advances have been requested or taken by the Trust.

Short-term investments represent those securities that are available for the System's operations, and can be converted to cash within one year.

1. Organization and Significant Accounting Policies (continued)

Inventories

Inventories are stated at the lower of cost or market. The System values its inventories using the first-in, first-out method, with the exception of YNHNC's pharmacy inventories, which are valued at average cost.

Assets Limited as to Use

Assets so classified represent assets held by trustees under indenture agreements, beneficial interest in perpetual trusts, and designated assets set aside by the Board of Trustees for future capital improvements, and other Board-approved uses. The Board of Trustees retains control and, at its discretion, may use for other purposes assets limited as to use for plant improvements and expansion. Amounts required to meet current liabilities are reported as current assets. These funds consist primarily of U.S. government securities, equities, debt securities, mutual funds, and money market funds.

Perpetual Trusts

The System is the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts, which are measured based on the fair value of the assets held by the trust, are recognized as assets and contribution revenue at the dates the trusts are established. Distributions from the trusts related to earnings and investment income are recorded as contributions, and the carrying value of the assets is adjusted for changes in the fair value.

Interest Rate Swap Agreements

The System utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The System is exposed to credit loss in the event of non-performance by the counterparties to its interest rate swap agreements. The System is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the System.

Benefits and Insurance

The System is effectively self-insured for medical, dental, hospitalization, and prescription drug benefits provided to employees. YNHNC and Y-NHHSC make annual contributions to the

1. Organization and Significant Accounting Policies (continued)

Y-NHHSC Voluntary Employee Beneficiary Association ("VEBA") plan to fund medical, dental, hospitalization, group term life insurance, and prescription drug benefits. Annually, premiums are set to reflect the estimated cost of benefits. During the years ended September 30, 2012 and 2011, YNHNC and Y-NHHSC made actuarially determined contributions, net of premium adjustments, to the VEBA plan of approximately $124.4 million and $100.6 million, respectively.

Professional Liability Insurance

The System is self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including claims incurred but not reported ("IBNR"), and are based on System-specific experience. At September 30, 2012 and 2011, the estimated discounted liabilities for self-insured workers' compensation claims and IBNR aggregated approximately $21.3 million discounted at 3.0% and $20.7 million, discounted at 3.5%, respectively, and are included in other long-term liabilities in the accompanying consolidated balance sheets.

The System records the actuarially determined liabilities for IBNR professional and general liabilities (Note 10).

Property, Plant, and Equipment

Property, plant, and equipment purchased are carried at cost, and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of, and any resulting gain or loss is included in income from operations. Depreciation of property, plant, and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives, ranging from 3 to 50 years. The cost of additions and improvements are capitalized, and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

Y-NHH and the Housing Authority of New Haven ("HANH") have entered into an agreement to swap parcels of land on the Legion/Howard/Sylvan/Ward block located in New Haven, Connecticut. As part of the key terms of the agreement, HANH has pledged an account to the Hospital in the amount of $5.7 million. The pledged account was established at the time the Hospital conveyed the land to HANH in July 2010. In the event that HANH fails to meet certain requirements of the agreement, including conveying its land parcel to Y-NHH, Y-NHH has the right to withdraw from the pledged account in the amount of $5.2 million, unless the pledged

1. Organization and Significant Accounting Policies (continued)

account is extended with an annual increase of approximately $180,000. As of September 30, 2011, no events have occurred that would require an increase to the pledged account or that would require the Hospital to withdraw funds from the pledged account.

Goodwill

Goodwill is not amortized but instead tested at least annually for impairment or more frequently when events or changes in circumstances indicate that the assets might be impaired. This impairment test is performed annually at the reporting unit level. The System evaluates goodwill at the entity level as management has determined that the System's operation comprise a single reporting entity. Goodwill is considered to impaired if the carrying value of the reporting unit, including goodwill, exceeds the reporting unit's fair value. Reporting unit fair value is estimated using both income (discounted cash flows) and market approaches.

The discounted cash flow approach requires the use of assumptions and judgments including estimates of future cash flows and the selection of discount rates. The market approach relies on comparisons to publicly traded stocks or to sales of similar companies. The System has determined that no goodwill impairment exists at September 30, 2012.

Deferred Revenue

Deferred revenue includes amounts which have been received that relate to future years. Amounts will be reduced as revenue is earned.

Excess of Revenue Over Expenses

In the accompanying consolidated statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating. Included in non-operating gains and losses are expenses incurred related to the acquisition of the SRHS.

Consistent with industry practice, contributions of, or restricted to, property, plant, and equipment, and pension and other postretirement liability adjustments are excluded from the performance indicator, but are included in the change in net assets.

1. Organization and Significant Accounting Policies (continued)

Income Taxes

Most entities within the System are not-for-profit corporations as described in Section 501(c)(3) of the Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Provisions for income taxes and deferred taxes, which are not material to the consolidated financial statements, have been made for the taxable entities listed above under the description of the System.

Operating Expenses

YNHNC records amounts received from the University, area hospitals, and other local health care providers for costs incurred on behalf of those organizations as reductions to expenses. For the years ended September 30, 2012 and 2011, YNHNC recorded approximately $52.9 million, respectively, as reductions to expenses.

Deferred Financing Costs

The System capitalizes costs incurred in connection with the issuance of long-term debt, and amortizes these costs over the life of the respective obligations using the effective interest method (Note 8).

Impairment of Assets

The System reviews property, equipment, and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the System recognizes a loss on the basis of whether these amounts are fully recoverable.

Change in Accounting Principle

In August 2010, the Financial Accounting Standards Board ("FASB") issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which provides clarification to companies in the health care industry on the accounting for and presentation of professional and similar contingent liabilities. Under the new guidance, these liabilities should not be presented net of insurance recoveries and an insurance recovery receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for

1. Organization and Significant Accounting Policies (continued)

uncollectible accounts. The new guidance became effective for the System as of October 1, 2011. The System elected to retrospectively adopt the guidance as of October 1, 2010. The adoption resulted in an increase to current assets and liabilities of approximately $27.7 million and an increase to long-term assets and liabilities of approximately $93.7 million as of September 30, 2011. The adoption did not affect System's financial condition, net results of operations, or cash flows.

New Accounting Pronouncements

In August 2010, the FASB issued Accounting Standards Update ("ASU") 2010-23, *Measuring Charity Care for Disclosure*. The new guidance requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. Separate disclosure of the amount of any cash reimbursements received for providing charity care must also be disclosed. The new disclosure requirements became effective for The System on October 1, 2011 and are included in the accompanying consolidated financial statements for all periods presented (see Note 3).

In July 2011, the FASB also issued Accounting Standards Update No. 2011-07, "*Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*"("ASU 2011-07"). Under ASU 2011-07, provision for bad debts related to patient service revenue will be presented as a deduction from patient service revenue (net of contractual allowances and discounts) on the statement of operations with enhanced footnote disclosure on the policies for recognizing revenue and assessing bad debts. The System will adopt the presentation changes to the consolidated statement of operations for periods beginning after December 15, 2011.

Reclassifications

Certain reclassifications have been made to the balances previously reported in the September 30, 2011 consolidated balance sheet in order to conform with the September 30, 2012 presentation.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

affected by the State of Connecticut Disproportionate Share program, includes premium revenue, and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such audits, reviews, and investigations.

Third-party payor receivables included in other receivables were $35.9 million and $33.5 million at September 30, 2012 and 2011, respectively. Third-party payor receivables included in other long-term assets were $19.5 million and $14.5 million at September 30, 2012 and 2011, respectively. Third-party payor liabilities included in other current liabilities were $12.8 million and $9.0 million at September 30, 2012 and 2011, respectively. Third-party payor liabilities included in other long-term liabilities were $54.8 million and $54.4 million at September 30, 2012 and 2011, respectively.

The System has established estimates, based on information presently available, of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and System-specific data. Such amounts are included in accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the System. If the appeals are successful, additional income applicable to those years might be realized.

Revenue from Medicare and Medicaid programs accounted for approximately 28% and 13%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2012 and approximately 30% and 13%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2011. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 33% and 30% for the years ended September 30, 2012 and 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The System believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing, except as disclosed in Note 11. Compliance with such laws and regulations can be subject to

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the System. Cost reports for the System's hospitals, which serve as the basis for final settlement with government payors have been settled by final settlement for various years ranging through 2006 for Medicare and through 1994 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 28% from Medicare, 10% from Medicaid, and 62% from non-governmental payors at September 30, 2012 and 2011.

3. Uncompensated Care and Community Benefit Expense

The System's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford health care because of inadequate resources, and/or who are uninsured or underinsured.

The System makes available free care programs for qualifying patients. In accordance with the established policies of the System, during the registration, billing, and collection process, a patient's eligibility for free care funds is determined. For patients who were determined by the System to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program, and whose ability to pay cannot be determined by the System, care given but not paid for is classified as charity care.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $101.8 million and $86.3 million for the years ended September 30, 2012 and 2011, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity.

The estimated cost of charity care provided was $67.3 million and $53.4 million for the years ended September 30, 2012 and 2011, respectively. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the hospital for each account analyzed.

3. Uncompensated Care and Community Benefit Expense (continued)

For the years ended September 30, 2012 and 2011, bad debt expense, at charges, was $65.8 million and $49.1 million, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program ("CDSHP") was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue. During the years ended September 30, 2012 and 2011, the System received $97.8 million and $39.9 million, respectively, in CDSHP distributions, of which approximately $67.3 million and $27.8 million was related to charity care. The System made payments into the CDSHP of $85.5 million and $21.3 million for the years ended September 30, 2012 and 2011, respectively, for the 1% assessment.

Additionally, the System provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups. The System voluntarily assists with the direct funding of several City of New Haven programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the System provides additional benefits to the community through its advocacy of community service by employees. The System's employees serve numerous organizations through board representation, membership in associations and other related activities. The System also solicits the assistance of other healthcare professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use is set forth in the following table (in thousands):

	September 30 2012	2011
Money market funds	$ 219,560	$ 177,677
U.S. equity securities	59,605	33,835
U.S. equity securities –common collective trusts	12,108	39,902
International equity securities (a)	72,222	70,391
Fixed income:		
U.S. government	122,369	78,516
U.S. government – common collective trusts	104,071	73,944
International government (b)	51,742	37,177
Corporate bonds	19,256	32,850
Mortgage backed securities	250	376
Commodities	787	3,657
Hedge funds:		
Absolute return (c)	69,807	67,646
Long/short equity (d)	13,941	14,422
Private equity	6,470	6,004
Real estate (e)	14,552	11,776
Interest in Yale University endowment pool (f)	408,438	317,680
Perpetual trusts (g)	12,127	10,906
Total	$ 1,187,305	$ 976,759

(a) Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

(b) Investments with external commodities futures manager.

(c) Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions

(d) Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

(e) Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end REITs and limited partnerships.

(f) Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

(g) Investments consist of several domestic and international equity and fixed income mutual funds, REITs, commodities and money market funds. There is also an investment in a hedge fund of funds.

4. Investments and Assets Limited as to Use (continued)

Included in assets limited as to use at September 30, 2012 are funds to be used for the various renovations and expansion at Y-NHH which was funded by the Series M bond (see Note 7). These funds consisted of money market funds of approximately $13.3 million and $60.7 million at September 30, 2012 and 2011, respectively.

5. Property, Plant, and Equipment

Property, plant, and equipment is as follows (in thousands):

	September 30	
	2012	**2011**
Land, buildings, and improvements	**$ 1,443,207**	$ 1,303,447
Equipment	**974,171**	932,651
Assets recorded under capital leases	**128,717**	128,717
	2,546,095	2,364,815
Less accumulated depreciation and amortization	**1,170,886**	1,121,655
Property, plant, and equipment, net	**1,375,209**	1,243,160
Construction in progress	**154,184**	99,060
	$ 1,529,393	$ 1,342,220

6. Endowment

The System's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The System has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment related to the System's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not

6. Endowment (continued)

classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

Changes in endowment net assets for the year ended September 30, 2012 are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 32,760	$ 64,452	$ 64,996	$ 162,208
Investment returns:				
Investment income	344	1,505	–	1,849
Net appreciation (realized and unrealized)	7,486	8,736	1,297	17,519
Total investment returns	7,830	10,241	1,297	19,368
Appropriation of endowment assets for expenditure	(2,472)	(7,420)	–	(9,892)
Other changes:				
Contributions	–	85	891	976
Change in value of beneficial interest trusts	–	–	1,221	1,221
Endowment net assets at end of year	$ 38,118	$ 67,358	$ 68,405	$ 173,881

6. Endowment (continued)

Changes in endowment net assets for the year ended September 30, 2011 are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 36,613	$ 67,552	$ 65,109	$ 169,274
Investment returns:				
Investment income	308	1,437	–	1,745
Net appreciation (realized and unrealized)	(1,809)	3,627	(1,198)	620
Total investment returns	(1,501)	5,064	(1,198)	2,365
Appropriation of endowment assets for expenditure	(2,352)	(8,198)	–	(10,550)
Other changes:				
Contributions	–	34	1,818	1,852
Change in value of beneficial interest trusts	–	–	(733)	(733)
Endowment net assets at end of year	$ 32,760	$ 64,452	$ 64,996	$ 162,208

	September 30, 2012	2011
	(in thousands)	
The portion of perpetual endowment funds subject to a time restriction under CUPMIFA:		
Without purpose restrictions	**$ 8,297**	$ 8,478
With purpose restrictions	**59,061**	55,444
Total endowment funds classified as temporarily restricted net assets	**$ 67,358**	$ 63,922

Return Objectives and Risk Parameters

The System has adopted investment and spending policies for endowed assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that over time provide a rate of return that meets the spending policy objectives adjusted for inflation. Actual returns in any given year may vary from this amount.

6. Endowment (continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategies in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that place greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes (in thousands):

	September 30 2012	2011
Specific hospital operations, teaching, research, indigent and free care, and training	**$ 87,565**	$ 78,351
Plant improvement and expansion	**568**	457
Other health care services and operations	**16,724**	14,711
	$ 104,857	$ 93,519

Permanently restricted net assets of approximately $68.4 million and $65.0 million at September 30, 2012 and 2011, respectively, consist of donor restricted endowment principal and beneficial interests in perpetual trusts. The income generated from permanently restricted funds is expendable for purposes designated by donors, including research, free care, health care, and other services.

8. Debt

A summary of long-term debt and capital lease obligations is as follows (in thousands):

	September 30 2012	2011
Revenue bonds financed with the State of Connecticut Health and Educational Facilities Authority ("CHEFA"):		
Series A (Bridgeport Hospital), maturing July 1, 2025, fixed interest ranging from 3.50% to 6.63%	$ –	$ 11,390
Series C (Greenwich Hospital) maturing July 1, 2026 (variable interest rates with an average rate of approximately 3.20% for fiscal 2011)	42,645	45,005
Series C (Bridgeport Hospital), maturing July 1, 2025, fixed interest ranging from 3.75% to 5.38%	–	35,755
Series D (Bridgeport Hospital), maturing July 1, 2025, fixed interest ranging from 2.00% to 5.00%	36,415	–
Series J (Y-NHH), 5.12% effective interest rate	159,110	164,295
Series K (Y-NHH), 3.11% effective interest rate	94,955	98,305
Series L (Y-NHH), 3.68% effective interest rate	107,460	107,460
Series M (Y-NHH), 5.24% effective interest rate	100,175	101,825
Loans payable:		
Line of credit payable (Y-NHH)	187,000	–
Line of credit payable (Y-NHH)	25,000	–
Bank note payable (Y-NHH), 0.07% effective interest rate	40,000	40,000
Term loan (Bridgeport Hospital) 3.22% fixed interest rate	5,543	6,127
Term loan (Bridgeport Hospital) 1.66% fixed interest rate	5,235	–
Term loan (ASC)	226	452
Capital lease obligation-November 2010, (Y-NHH)	53,827	55,309
Capital lease obligation- December 2010, (Y-NHH)	53,702	55,082
Capital lease obligation (Bridgeport Hospital)	168	317
Capital lease obligations (York), at varying rates of imputed interest of 6.25%, collateralized by leased equipment	5,106	5,998
	916,567	727,320
Add premium	10,351	7,322
Less current portion	(107,903)	(20,343)
	$ 819,015	$ 714,299

8. Debt (continued)

In September 2006, the Y-NHH issued Series J revenue bonds totaling approximately $280.9 million. The proceeds, including a premium of approximately $10.1 million, are being used to finance a portion of the construction costs of the Cancer Hospital, and to pay for bond issuance costs. The bond premium is being amortized, and was included in capitalized interest through March 2010. As of the opening of the Cancer Hospital, the bond premium is being amortized in the statement of operations. The Series J revenue bonds were issued in three sub-series as follows: (1) Series J-1, approximately $174.4 million, consisting of approximately $83.7 million of serial bonds and approximately $90.7 million in term bonds bearing interest at 5% per annum; (2) Series J-2, approximately $40 million of revenue bonds bearing interest at 3.65% at September 30, 2007, and (3) Series J-3, approximately $66.5 million of revenue bonds bearing interest at 3.70% at September 30, 2007. Series J-2 and J-3 revenue bonds were refunded during the year ended September 30, 2008 by the issuance of Series L revenue bonds.

In May 2008, the Y-NHH issued Series K and Series L revenue bonds totaling approximately $216.6 million. The Series K revenue bonds were issued as Variable Rate Demand Bonds ("VRDBs") in two sub-series, Series K-1 and K-2, approximately $54.6 million each, with an effective rate of 1.1% in 2011 and 2010. The proceeds from the Series K issuance were used to refund the Series I bonds. The Series L revenue bonds were issued as VRDBs in two sub-series, Series L-1 and L-2, approximately $53.7 million each, with an effective rate of 0.8% in 2012 and 2011. The proceeds from the Series L issuance were used to refund the Series J-2 and J-3 revenue bonds.

Both the Series K and Series L VRDBs are required to be supported by Letter of Credit facilities ("LOCs") which have been executed with two financial institutions. These LOCs are scheduled to expire on May 2, 2016 and May 14, 2016.

In December 2010, the Y-NHH issued Series M revenue bonds totaling approximately $104.4 million. The proceeds, including a premium of approximately $1.0 million, are being used to finance costs for the expansion and renovations to the Adult Emergency Department, the purchase and installation of machinery and equipment, various renovations and improvements to Y-NHH's infrastructure, and to pay for bond issuance costs. The bond premium is being amortized and is included in capitalized interest. The Series M revenue bonds were issued as one series consisting of approximately $33.9 million of serial bonds bearing interest at 4.69%, and approximately $17.6 million, $17.8 million, and $35.1 million in term bonds bearing interest at 5.25%, 5.75%, and 5.50%, respectively, per annum.

8. Debt (continued)

On August 30, 2011, Y-NHH entered into a loan agreement with Bank of America, N.A. ("Bank") for $40.0 million. Y-NHH agreed to repay the Bank the aggregate principal amount in five equal annual payments of $8.0 million, beginning on October 1, 2012. The loan bears interest at a rate equal to LIBOR plus 0.50% per annum with an option to convert to a fixed rate loan upon formal notification to the Bank, which may include a portion of or the total outstanding loan balance at the time notification is made.

In July 2012, Y-NHH entered into a line of credit with the Bank in the amount of $27.0 million which was subsequently increased to $187.0 million upon the execution of the HSR asset purchase agreement. In July 2012, Y-NHH drew the unconditional loan of $27.0 million to outfit a new facility. In September 2012, the Y-NHH drew the remaining $160.0 million to fund the acquisition of HSR. The line of credit requires Y-NHH to repay the Bank in 24 equal monthly installments commencing on August 1, 2013. The full amount of the remaining balance is due on July 12, 2015. This obligation bears interest at a rate equal to LIBOR plus 0.45% per annum.

In September 2012, Y-NHH drew on its $50 million line of credit with the U.S. Bank, established in January 2012, in the amount of $25 million. The U.S. Bank line of credit requires repayment of the aggregate principal amount on the 364th day subsequent to the advance. This obligation bears interest at a rate equal to LIBOR plus 0.50% per annum.

On May 6, 2008, CHEFA issued $53.6 of its revenue bonds on behalf of Greenwich Hospital, Series C, consisting of variable rate demand bonds. The proceeds were utilized for the refunding of the outstanding Greenwich Hospital Series B revenue bonds. Principal amounts related to the Greenwich Hospital Series C revenue bonds mature annually each July 1 through fiscal 2026. The effective interest rate of 3.2% is the result of the variable rate paid to bondholders, disclosed as interest expense of approximately $0.1 million, and net counterparty payments of approximately $1.3 million in connection with the interest rate swap included in nonoperating gains and losses.

In June 2012, Bridgeport Hospital obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over 5 years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

8. Debt (continued)

Bridgeport Hospital's Series A and C tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture. These bonds are due serially or via mandatory sinking fund redemptions through July 1, 2025. The bonds are collateralized by a pledge of the gross receipts of Bridgeport Hospital and the Foundation (the "Obligated Group"), and a first mortgage on substantially all property, plant, and equipment of Bridgeport Hospital. The Master Trust Indenture also places certain limits on the incurrence of additional borrowings of the Obligated Group, and requires the Obligated Group to satisfy certain measures of financial performance while the revenue bonds are outstanding. The Bridgeport Hospital Series A and C bonds are insured by commercial bond insurers to maturity.

In November 2010, Bridgeport Hospital obtained a $6.6 million term loan from CHEFA. The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to Bridgeport Hospital's infrastructure. The loan is to be paid in monthly installments over 10 years at a fixed rate of 3.22%.

In May 2012, the Bridgeport Hospital's Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were used for the retirement of the outstanding Series A and C revenue bonds and to pay for certain bond issuance costs. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying consolidated statement of operations and changes in net assets. In connection with the refunding and refinancing, the Hospital recognized a loss in 2012 of approximately $1.8 million principally related to the write-off of deferred financing costs.

The terms of the various financing arrangements between CHEFA and the System, the financial institutions providing the LOCs and the System, and the Bank and the System provide for financial covenants regarding the System's debt service coverage ratio, liquidity ratio, and debt to capitalization ratio, among others. As of September 30, 2012 and 2011, the System was in compliance with such covenants.

Required monthly payments on the revenue bonds by the System to a trustee are in amounts sufficient to provide for the payments of principal, interest, and sinking fund installments, as well as required payments to certain reserve funds held by the trustee, in accordance with terms of the agreements, and certain other annual costs of CHEFA.

8. Debt (continued)

Scheduled principal payments on all long-term debt, including capital lease obligations, are as follows (in thousands):

	Debt	Capital Lease Obligations
Year ending September 30:		
2013	$ 51,590	$ 60,115
2014	210,966	5,997
2015	26,128	6,197
2016	26,787	6,243
2017	27,250	5,679
Thereafter	461,043	63,810
	$ 803,764	148,041
Less interest		(35,238)
		$ 112,803

Capitalized interest at September 30, 2012 and 2011 totaled $26.9 million and $24.9 million, respectively.

Y-NHH has entered into interest rate swap agreements with financial institutions related to the Y-NHH's Series K and Series L debt, and future obligations. The Series K and Series L swaps were carried over as part of the refunding of the Series I and Series J debt. On September 20, 2012, Y-NHH entered into a Forward Starting Interest Rate swap, a LIBOR Swap Rate Lock and a SIFMA Rate Lock swap with two different counterparties. In connection with refinancing its Series A revenue bonds and issuing its Series B revenue bonds, Greenwich Hospital entered into an interest rate swap agreement with a financial institution. This swap remained in place for Greenwich Hospital's Series C revenue bonds. The agreements require Y-NHH and Greenwich Hospital to pay a fixed rate and receive a floating rate based on LIBOR or SIFMA.

The change in market value, as well as the net interest paid or received under Y-NHH's swap agreement, for the Series J/Series L swap has been capitalized as part of the interest costs related to construction of the Cancer Hospital until construction was complete. Once the Cancer Hospital became operational these amounts were recorded in the statements of operations.

8. Debt (continued)

The swap agreements fix the interest rate at a level viewed as desirable by the System. Such agreements expose the System to credit risk in the event of non-performance by the counterparties, some of which is collateralized. At September 30, 2012 and 2011, the fair value of the swap agreements based on current interest rates was approximately $45.7 million and $37.9 million, respectively, representing a payable to the counterparties (recorded in other long-term liabilities).

For the Y-NHH Series K swap, there was an unfavorable change in fair value of approximately $0.9 million for the years ended September 30, 2012 and 2011 which was recorded in the excess of revenue over expenses. As a result of the unfavorable change in market value of the Series K swap, $4.6 million and $4.2 million has been collateralized by Y-NHH and is being held by the financial institution as of September 30, 2012 and 2011, as required by the swap agreement.

For the Y-NHH Series L swaps, there was an unfavorable change in fair value of approximately $2.0 million and $3.5 million for the years ended September 30, 2012 and 2011, respectively, which was recorded in excess of revenue over expenses. No collateral was required under the Series L swap agreement for the years ended September 30, 2012 and 2011.

For the forward starting interest rate swap, the LIBOR Swap Rate Lock and the SIFMA Rate Lock swaps, there was an unfavorable change in fair value of $1.0 million, $1.9 million, and $1.6 million, respectively, for the year ended September 30, 2012, which was recorded in excess of revenue over expenses.

For Greenwich Hospital's swap, there was an unfavorable change in fair value of approximately $0.4 million and $0.5 million for the years ended September 30, 2012 and 2011, respectively, which was recorded in excess (deficiency) of revenue over expenses.

8. Debt (continued)

The following table summarizes the System's interest rate swap agreements (in thousands):

Swap Type	Expiration Date	System Receives	System Pays	Notional Amount At September 30 2012	2011
Series K – Fixed to Floating	July 1, 2025	LIBOR	3.11%	$ 63,977	$ 66,269
Series L – Fixed to Floating	July 1, 2036	LIBOR	3.68%	44,505	44,505
Forward Starting Interest Rate Swap	July 1, 2053	67% of LIBOR	2.84%	50,000	–
LIBOR Swap Rate Lock	July 1, 2043	LIBOR	2.73%	92,000	–
SIFMA Rate Lock	July 1, 2048	SIFMA	2.66%	50,000	–
Series B – fixed to floating (Greenwich Hospital)	July 1, 2026	LIBOR	3.10%	32,200	32,200
				$ 332,682	$ 142,974

For the years ended September 30, 2012 and 2011, the System paid approximately $19.2 million and $19.8 million, respectively, for interest related to long-term debt and capital lease obligations, exclusive of swap agreements.

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that, in specified circumstances, earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the Federal government.

Y-NHH entered into a contract to lease space in a building adjacent to Y-NHH. Y-NHH's rental obligation commenced December 2009. This lease has a term of twenty years from the commencement date with the option to extend the lease for four successive terms of ten consecutive years. Rental payments will increase by 5% every five years. Y-NHH is also subject to additional rent for its share of expenses, as defined in the contract. Y-NHH has the option to purchase the property at the end of the fifth, tenth, or twentieth years or at the end of each of the first three ten-year extension periods.

Y-NHH has entered into an agreement to lease space in a building located at 2 Howe Street, New Haven Connecticut. Y-NHH's rental obligation commenced during the first quarter of fiscal 2010. Y-NHH will lease these spaces for three years after which Y-NHH has the obligation to purchase the property for approximately $53.6 million.

8. Debt (continued)

Assets recorded under the capital lease obligations totaled $128.2 million and $129.1 million as of September 30, 2012 and 2011, respectively. Accumulated depreciation for the capital lease obligations totaled $18.0 million and $13.6 million at September 30, 2012 and 2011, respectively.

9. Pensions and Postretirement Benefits

The System has qualified and non-qualified defined benefit pension plans covering substantially all employees and executives. The benefits provided are based on age, years of service, and compensation. The System's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974.

The System also sponsors contributory 403(b) plans and 401(k) plans covering substantially all employees. Employer contributions for certain 403(b) and 401(k) plans are determined based on employee contributions and years of service. The System contributed approximately $28.7 million and $27.6 million for the years ended September 30, 2012 and 2011, respectively.

YNHNC maintains a Section 457 non-qualified deferred compensation plan. Contributions are made on a pre-tax basis. The balances recorded at September 30, 2012 and 2011 in other assets and other long-term liabilities were approximately $21.7 million and $18.4 million, respectively.

On June 30, 2006, Bridgeport Hospital and certain other affiliates of BHHS froze their defined benefit plan. On October 1, 2006, Bridgeport Hospital and certain other affiliates of BHHS instituted a defined contribution plan.

Effective as of December 31, 2006, Greenwich Hospital amended its defined benefit pension plan to freeze benefits for employees who were under age 50 with less than five years of service. Effective January 1, 2007, Greenwich Hospital began providing a matching contribution and a length of service contribution, in addition to its incentive contribution, for its defined contribution plan for all employees no longer accruing benefits under the defined benefit plan. Employees who were age 50 or older with five years of service continue to accumulate benefits under the defined benefit plan, and do not participate in the defined contribution plan.

YNHNC and GHCS also provide certain health care and life insurance benefits upon retirement to substantially all their employees. YNHNC's and GHCS's policy is to fund these annual costs as they are incurred from the general assets of YNHNC and GHCS. The estimated cost of these postretirement benefits is actuarially determined, and accrued over the employees' service periods.

9. Pensions and Postretirement Benefits (continued)

Included in unrestricted net assets at September 30, 2012 and 2011 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of approximately $0.1 million and $0.3 million, respectively, and unrecognized actuarial losses of approximately $355.0 million and $267.9 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2013 are approximately $0.8 million and $18.3 million, respectively.

The following table sets forth the change in benefit obligations, change in the plans' assets, and the reconciliation of underfunded status of the System's defined benefit plans as of September 30, 2012 and 2011 (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2012	2011	2012	2011
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 739,038	$ 687,254	$ 63,687	$ 58,103
Service cost	25,048	21,358	3,442	3,092
Interest cost	35,630	33,836	3,183	3,014
Changes in assumptions	–	5,630	–	–
Actuarial loss	104,724	19,436	10,588	818
Benefits paid	(36,363)	(28,476)	(1,270)	(1,340)
Benefit obligation at current measurement date	868,077	739,038	79,630	63,687
Change in plans' assets:				
Fair value of assets at prior measurement date	455,016	456,124	–	–
Actual return on plans' assets	59,434	(2,497)	–	–
Employer contributions	65,264	29,864	1,270	1,340
Benefits paid	(36,363)	(28,476)	(1,270)	(1,340)
Fair value of plans' assets at current measurement date	543,351	455,015	–	–
Accrued benefit cost	$ (324,726)	$ (284,023)	$ (79,630)	$ (63,687)

9. Pensions and Postretirement Benefits (continued)

A reconciliation of accrued benefit cost to the consolidated balance sheets follows (in thousands):

	Accrued Pension and Postretirement Obligations		Fair Value of Plans' Assets	
	2012	**2011**	**2012**	**2011**
YNHNC and Subsidiaries – accrued pension and postretirement obligations	**$ (283,151)**	$ (243,434)	**$ 271,952**	$ 225,895
Bridgeport Hospital – accrued pension and postretirement obligations	**(67,041)**	(58,208)	**132,485**	107,904
Greenwich Hospital – accrued pension and postretirement obligations	**(54,164)**	(46,068)	**138,914**	121,216
	$ (404,356)	$ 347,710	**$ 543,351**	$ 455,015

Benefit Obligation and Assumptions

The projected benefit obligation, accumulated benefit obligation, and fair value of the plans' assets were as follows (in thousands):

	September 30	
	2012	**2011**
Projected benefit obligation	**$ (868,077)**	$ (739,038)
Accumulated benefit obligation	**(782,254)**	(624,269)
Fair value of plans' assets	**543,351**	455,015

As of September 30, 2012 and 2011, the underfunded status of the qualified defined benefit pension plans was approximately $281.8 million and $241.1 million, respectively, and that of the non-qualified defined benefit pension plan was approximately $49.4 million and $43.0 million, respectively. Additionally, there are assets limited as to use of approximately $64.7 million and $58.4 million, which are available to satisfy the obligations of the non-qualified defined benefit pension plan at September 30, 2012 and 2011, respectively.

9. Pensions and Postretirement Benefits (continued)

In addition to the postretirement benefits included in the above schedule, certain employees of Greenwich Hospital are provided certain postretirement health care and life insurance benefits. The accrued postretirement benefit liabilities were approximately $0.5 million at September 30, 2012 and 2011, and are included in other long-term liabilities.

The net periodic benefit cost for the years ended September 30, 2012 and 2011 is as follows (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2012	2011	2012	2011
Service cost	$ 25,048	$ 21,358	$ 3,442	$ 3,092
Interest cost	35,630	33,839	3,183	3,014
Expected return on plan assets	(40,611)	(38,748)	–	–
Amortization of prior service cost	(456)	(456)	259	264
Recognized net actuarial loss	10,011	5,372	–	–
Net periodic benefit cost	$ 29,622	$ 21,365	$ 6,884	$ 6,370

Weighted-average assumptions used to determine benefit obligations at September 30, 2012 and 2011 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2012	2011	2012	2011
Discount rate for determining benefit obligations at year-end, qualified plan	3.6%-4.0%	4.8%-5.2%	4.0%	5.1%
Discount rate for determining benefit obligations at year-end, non-qualified plan	4.0%	5.1%	–	–
Rate of compensation increase	3.5%-5.0%	3.25%-5.0%	–	–

9. Pensions and Postretirement Benefits (continued)

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2012 and 2011 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2012	2011	2012	2011
Discount rate for determining net periodic benefit cost at year-end, qualified plan	**4.8-5.2%**	4.8%-5.4%	**5.1%**	5.3%
Discount rate for determining net periodic benefit cost at year-end, non-qualified plan	**5.1%**	5.3%	–	–
Expected rate of return on plan assets	**6.75-7.75**	6.75-7.75	–	–
Rate of compensation increase	**3.25%-5.0%**	3.25%-5.0%	–	–

For measurement purposes relating to the postretirement benefits plan, a 7.0% and 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2012 and fiscal 2011, respectively. Rates are assumed to decline to 4.0% through fiscal 2014.

Assumed health care cost trend rate assumptions have a significant effect on the amounts reported. A 1% change in the assumed health care cost trend rate would have the following effects (in thousands):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 13	$ (15)
Effect on postretirement benefit obligations	142	(144)

The asset allocation of the System's pension plans at September 30, 2012 and 2011, on a combined basis, was as follows:

Asset Category	Target Allocation	Percentage of Assets	
	2013	2012	2011
Equity securities	**22%-90%**	**39%**	36%
Debt securities	**10%-55%**	**34**	37
Real assets	**0-25%**	**17**	17
All other assets	**0-24%**	**10**	10
		100%	100%

9. Pensions and Postretirement Benefits (continued)

Financial assets carried at fair value, as of September 30, 2012 and 2011 are classified in the following tables (see Footnote 15 for description) (in thousands):

	September 30, 2012			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 24,762	$ –	$ –	$ 24,762
U.S. equity securities	98,732	22,026	–	120,758
International equity securities	58,819	30,433	7,471	96,723
Fixed income:				
U.S. government	87,391	4,146		91,537
Corporate debt	26,811	37,047	–	63,858
International government	13,309	6,425	–	19,734
Commodities	5,469	–	10,707	16,176
Private equity	–	–	26,281	26,281
Hedge funds:				
Absolute return	–	48,288	10,579	58,867
Long/short equity	–	7,871	–	7,871
Real estate	–	–	16,784	16,784
Total investments	$ 315,293	$ 156,236	$ 71,822	$ 543,351

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 9,465	$ –	$ –	$ 9,465
U.S. equity securities	76,658	16,088	–	92,746
International equity securities	49,574	22,518	5,312	77,404
Fixed income:			–	
U.S. government	83,490	7,719	–	91,209
Corporate debt	44,371	16,665	–	61,036
International government	13,620	–	–	13,620
Commodities	4,923	–	9,982	14,905
Private equity	–	–	17,315	17,315
Hedge funds:				
Absolute return	–	43,605	9,848	53,453
Long/short equity	–	8,235	–	8,235
Real estate	–	–	15,627	15,627
Total investments	$ 282,101	$114,830	$ 58,084	$ 455,015

9. Pensions and Postretirement Benefits (continued)

The following is a rollforward of the pension assets classified as level 3 of the valuation hierarchy as described in Note 15 (in thousands):

	Commodities	Private Equity	Real Estate	International Equity	Hedge Funds	Total
Fair value at September 30, 2010	$ 11,368	$ 15,006	$ 14,599	$ –	$ 13,191	$ 54,164
2011 Realized and unrealized gains and losses	(593)	(135)	3,049	(688)	62	1,695
2011 Purchases, sales, transfers, issuances and settlements, net	(793)	2,444	(2,021)	6,000	(3,405)	2,225
Fair value at September 30, 2011	9,982	17,315	15,627	5,312	9,848	58,084
2012 Realized and unrealized gains and losses	361	3,928	206	1,357	960	6,812
2012 Purchases, sales, transfers, issuances and settlements, net	364	5,038	951	802	(229)	6,926
Fair value at September 30, 2012	$ 10,707	$ 26,281	$ 16,784	$ 7,471	$ 10,579	$ 71,822

The System's investment strategy for its pension assets balances the liquidity needs of the pension plans with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocation of the investment pool to various sectors of the markets is designed to reduce volatility in the portfolio.

The System's pension portfolios return assumption of 7.75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

The future cash flows of the System relative to retirement benefits are expected to be as follows (in thousands):

	Defined Benefit Pension Plans	Postretirement Benefit Plan
Estimated benefit payments related to years ending September 30:		
2013	$ 49,435	$ 2,521
2014	50,294	2,832
2015	52,296	3,063
2016	53,610	3,316
2017	56,367	3,646
2018 to 2022	313,582	24,096

9. Pensions and Postretirement Benefits (continued)

The System expects to make contributions of approximately $53.4 million for pension benefits and $2.5 million for postretirement benefits in fiscal 2013.

10. Professional Liability Insurance

In 1978, Y-NHH and a number of other academic medical centers formed The Medical Centre Insurance Company Ltd. (the "Captive") to insure for professional and comprehensive general liability risks. In 1997, the Captive formed MCIC Vermont, Inc. ("MCIC") to write direct insurance for the professional and general liability risks of the shareholders. Since 1997, the Captive has acted as a reinsurer for varying levels of per claim limit exposure. MCIC has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage, and are actuarially determined based on actual experience of the System, the Captive, and MCIC.

Y-NHH controls less than 20% of the Class A stock of MCIC; however, for accounting purposes the investment in the insurance companies is recorded on the equity method because of contractual agreements.

The System entities participate in the Y-NHH insurance program as additional insureds. All System entities initially pay premiums to Y-NHHSC. Y-NHHSC generally assumes the responsibility for ensuring that all the System members pay all premiums owed by them to MCIC. Y-NHHSC manages MCIC's operations for all other System members.

MCIC's policy is to establish retrospective-related premiums for its shareholders equivalent to estimated losses and general and administrative expenses, less estimated investment income, so that its results of operations are breakeven each year. The System accrues premiums as incurred.

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $155.5 million and $167.5 million at September 30, 2012 and 2011, respectively for the System. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $49.8 million and $54.5 million for the System at September 30, 2012 and 2011, respectively, and is included in professional insurance liabilities in the accompanying consolidated statements of financial position at the actuarially determined present value of approximately $46.1 million and $46.3 million, respectively, based on a discount rate of 3.0% and 3.5% for the years ended September 30, 2012 and 2011, respectively.

10. Professional Liability Insurance (continued)

The System has recorded related insurance recoveries receivable of approximately $109.4 million and $121.4 million at September 30, 2012 and 2011, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

Lukan, the Y-NHH sponsored professional liability program, continues to manage all incidents and claims reported to Lukan prior to the acquisition of SRHS, as well as extending professional liability coverage for post acquisition risks to certain affiliated community clinicians.

Prior to the acquisition of SRHS, Caritas provided excess professional liability and general liability insurance to SRHS and their employed clinicians. Caritas continues to manage all incidents and claims reported prior to the acquisition of SRHS.

Caritas and Lukan have recorded the undiscounted estimate for incidents that have been incurred but not reported of approximately $36.6 million at September 30, 2012 and are included in professional liabilities in the accompanying consolidated statements of financial position.

The System's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the System and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

11. Commitments and Contingencies

Leases

The System leases various equipment and properties under several non-cancelable operating leases that range in terms. The System is responsible for operating expenses, as defined, during the lease terms. Future minimum lease payments under these leases are as follows (in thousands):

2013	$ 22,390
2014	19,341
2015	15,296
2016	14,258
2017	10,890
Thereafter	28,494
	$ 110,669

The System incurred rent expense under these leases of approximately $24.3 million and $22.3 million for the years ended September 30, 2012 and 2011, respectively.

Cancer Hospital

Y-NHH has a shared facilities and services agreement with in connection with the Cancer Hospital which is recorded as deferred revenue. Deferred revenue, from this agreement, at September 30, 2012 and 2011 was $46.6 million and $48.3 million, respectively.

Proposed Acquisition

Bridgeport Hospital entered into an agreement on August 12, 2012 to acquire certain assets and assume certain liabilities of a Connecticut radiology practice for approximately $16 million. A regulatory review by the Connecticut Office of Health Care Access is currently in progress. Upon completion of the regulatory review of the transaction will be completed.

Litigation

Various lawsuits and claims arising in the normal course of operations are pending, or are in progress against the System. Such lawsuits and claims are either specifically covered by insurance as explained in Note 11, or are deemed immaterial. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or changes in net assets of the System.

11. Commitments and Contingencies (continued)

The System has received requests for information from certain governmental agencies relating to, among other things, patient billings. These requests cover several prior years relating to compliance with certain laws and regulations. Management is cooperating with those governmental agencies in their information requests and ongoing investigations. The ultimate results of those investigations, including the impact on the System, cannot be determined at this time.

12. Functional Expenses

The System provides general acute health care services to residents within its geographic areas. Net expenses related to providing these services are as follows (in thousands):

	Year Ended September 30	
	2012	**2011**
Health care services	**$ 1,962,185**	$ 1,734,717
General and administrative	**532,979**	484,964
	$ 2,495,164	$ 2,219,681

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30	
	2012	**2011**
Cafeteria and vending	**$ 10,926**	$ 10,134
Contributions	**2,960**	2,667
Parking income	**5,496**	4,991
Net assets released from restrictions for operations	**11,696**	14,020
Net assets released from restrictions for free care	**889**	782
Net assets released from restrictions for medical research and clinical programs	**12,804**	16,195
Grants	**19,932**	15,328
Rental income	**3,545**	3,547
Electronic health records incentive payment	**6,417**	—
Pediatric ancillary services	**5,901**	—
Investment income	**4,464**	2,791
Foundation distributed income	**2,472**	2,352
Other	**17,399**	14,319
	$ 104,901	$ 87,126

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). The provisions were designed to increase the use of electronic health record ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

13. Other Revenue (continued)

The System uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the System is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. EHR incentive payment revenue totaling $6.4 million for Medicaid for the year ended September 30, 2012, is included in other revenue in the accompanying 2012 consolidated statement of operations. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands).

	Year Ended September 30	
	2012	**2011**
Income from investments, donations and other, net	**$ (11,132)**	$ 4,671
Gain on sale of Medical Center Pharmacy, net of taxes	**–**	3,238
Change in unrealized gains and losses on investments	**54,506**	(6,339)
Change in fair value of swap, including counterparty payments	**(14,323)**	(11,628)
Acquisition costs related to Saint Raphael Healthcare System	**(22,103)**	(6,051)
FICA Tax Refund	**4,920**	10,915
	$ 11,868	$ (5,194)

15. Fair Values of Financial Instruments

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers non-performance risk in the overall assessment of fair value.

ASC No. 820-10 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

- **Level 1:** Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

15. Fair Values of Financial Instruments (continued)

- **Level 2:** Observable inputs that are based on data not quoted in active markets, but corroborated by market data.
- **Level 3:** Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

Financial assets and liabilities carried at fair value as of September 30, 2012 and 2011 are classified in the following tables in one of the three categories described above (in thousands):

	September 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 129,943	$ –	$ –	$ 129,943
Money market funds	219,560	–	–	219,560
U.S. equity securities	59,605	–	–	59,605
International equity securities	72,222	–	–	72,222
Fixed income:		–	–	
U.S. government	122,369	–	–	122,369
Corporate bonds	19,256	–	–	19,256
Mortgage backed securities	250	–	–	250
International government	31,291	20,451	–	51,742
Beneficial interest in remainder trust	1,641	–	–	1,641
Interest in Yale University endowment pool	–	–	408,438	408,438
Investments at fair value	$ 656,137	$ 20,451	$ 408,438	1,085,026
Common collective trusts				116,179
Alternative investments				105,557
Perpetual trusts				12,127
Investments not at fair value				233,863
Total investments				$ 1,318,889
Liabilities:				
Interest rate swaps	$	$ (45,686)	$	$ (45,686)

15. Fair Values of Financial Instruments (continued)

	September 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 149,500	$ –	$ –	$ 149,500
Money market funds	177,677	–	–	177,677
U.S. equity securities	33,835	–	–	33,835
International equity securities	70,391	–	–	70,391
Fixed income:				
U.S. government	78,516	–	–	78,516
Corporate bonds	32,850	–	–	32,850
Mortgage backed securities	376	–	–	376
International government	37,177	–	–	37,177
Beneficial interest in remainder trust	1,621	–	–	1,621
Interest in Yale University endowment pool	–	–	317,680	317,680
Investments at fair value	$ 581,943	$ –	$ 317,680	899,623
Common collective trusts				113,846
Alternative investments				103,505
Perpetual trusts				10,906
Investments not at fair value				228,257
Total investments				$ 1,127,880
Liabilities:				
Interest rate swaps	$ –	$ (37,945)	$ –	$ (37,945)

The amounts reported in the tables as detailed above do not include assets invested in the System's defined benefit pension plan. In addition, included in the tables above at September 30, 2012 and 2011 are investments in common collective trusts totaling approximately $116.2 million and $113.8 million, respectively, other alternative investments totaling approximately $105.1 million and $103.5 million, respectively, and other perpetual trusts totaling approximately $12.1 million and $10.9 million that are accounted for under the equity method of accounting (see Note 1). The beneficial interest in remainder trust listed in the above tables are included in other assets. The interest rate swaps listed above are classified in the accompanying balance sheet as "other long-term liabilities" at September 30, 2012 and 2011.

15. Fair Values of Financial Instruments (continued)

The following is a rollforward of assets classified as level 3 of the valuation hierarchy:

Interest in Yale University Endowment Pool	
Fair value at September 30, 2010	$ 200,036
2011 unrealized gains and losses	17,644
2011 purchases	100,000
Fair value at September 30, 2011	317,680
2012 unrealized gains and losses	40,773
2012 Purchases	49,985
Fair value at September 30, 2012	$ 408,438

The following is a summary of total investments as of September 30, 2012 with restrictions to redeem the investments at the measurement date, any unfunded capital commitments and investment strategies of the investees (in thousands):

Description of Investment	Carrying Value	Unfunded Commitments	Redemption Frequency	Notice Period	Funds Availability
Private equity	$ 5,637	$ 1,770	N/A	N/A	N/A
Global equity	5,771	–	30 days	190-460 days	N/A
Hedge funds:					
Long/short equity	12,205	–	Annually	100 days	December 31
Absolute return – Y-NHH	48,614	–	Annually	100 days	December 31
Absolute return – GHSI and Subsidiaries	3,203	–	N/A	N/A	N/A
Real estate	9,905	3,507	N/A	N/A	N/A
Commodities	676	9,963	N/A	N/A	N/A

16. Medical Residents FICA Tax Refund

In March 2010, the Internal Revenue Service ("IRS") announced that, for periods ending before April 1, 2005, medical residents would be eligible for student exception of Federal Insurance Contributions Act ("FICA") taxes. Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college, or university where the student is pursuing a course of study. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. Institutions are potentially eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest. For the year ended September 30, 2012 and 2011, Y-NHH has recorded estimated net revenue of approximately $4.9 million and $10.9 million, respectively, in non-operating gains and losses, related to FICA medical resident refunds claims that have met the IRS refund requirements. At September 30, 2012 and 2011, Y-NHH recorded a net receivable of approximately $18.2 million and $24.7 million, respectively included in other assets and a payable of approximately $13.8 million at September 30, 2012 and 2011 included in other long-term liabilities. Y-NHH has established its estimate based on information presently available and this estimate is subject to change as the IRS adjudicates the claims.

17. Subsequent Events

Subsequent events have been evaluated through December 21, 2012, which is the date the financial statements were available to be issued. No events have occurred that require disclosure or adjustment of the financial statements.

Supplementary Information

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Report of Independent Auditors on Supplementary Information

Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited the consolidated financial statements of Yale New Haven Health System and Subsidiaries as of and for the years ended September 30, 2012 and 2011, and have issued our report thereon dated December 21, 2012 which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

Ernst & Young LLP

December 21, 2012

A member firm of Ernst & Young Global Limited

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Balance Sheet

September 30, 2012

	Yale New Haven Health Services Corporation	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Assets								
Current assets:								
Cash and cash equivalents	$ 4,158	$ 2,834	$ 83	$ 69,453	$ 16,072	$ 37,343	$ –	$ 129,943
Short-term investments:	14,199	–	–	613,360	69,590	10,243	–	707,392
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity, and free care	–	4,926	–	205,704	42,983	39,760	–	293,373
Professional liabilities insurance recoveries receivable – current portion	–	–	–	15,739	11,424	2,173	–	29,336
Other current assets	91,150	3,689	1,569	98,677	16,703	13,367	(95,391)	129,764
Amounts on deposit with trustee in debt service fund	–	–	–	6,619	1,875	–	–	8,494
Total current assets	109,507	11,449	1,652	1,009,552	158,647	102,886	(95,391)	1,298,302
Assets limited as to use	–	–	–	105,688	–	89,433	–	195,121
Long-term investments	11,484	–	–	164,238	47,464	53,112	–	276,298
Deferred financing costs, less accumulated amortization	–	–	–	5,182	–	467	–	5,649
Goodwill		267	–	35,685	–	–	–	35,952
Professional liabilities insurance recoveries receivable – non-current	–	–	–	40,271	31,106	8,751	–	80,128
Other assets	61,732	4,298	–	175,044	26,301	15,605	(114,231)	168,749
Property, plant, and equipment, net	54,401	994	–	939,718	111,955	268,141	–	1,375,209
Construction in progress	72,064	–	–	63,603	17,163	1,354	–	154,184
	126,465	994	–	1,003,321	129,118	269,495	–	1,529,393
Total assets	$ 309,188	$17,008	$ 1,652	$ 2,538,981	$ 392,636	$ 539,749	$ (209,622)	$ 3,589,592

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Balance Sheet (continued)

September 30, 2012

	Yale New Haven Health Services Corporation	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Liabilities								
Current liabilities:								
Accounts payable and accrued expenses	$ 61,871	$13,780	$ 63	$ 307,216	$ 57,532	$ 29,936	$ (63,345)	$ 407,053
Current portion of long-term debt	–	–	–	45,424	3,736	2,430	–	51,590
Current portion of capital lease obligation	–	–	–	56,240	73	–	–	56,313
Professional liabilities – current portion	–	–	–	15,739	11,424	2,173	–	29,336
Other current liabilities	–	659	–	3,435	6,775	21,044	–	31,913
Total current liabilities	61,871	14,439	63	428,054	79,540	55,583	(63,345)	576,205
Long-term debt, net of current portion	–	–	–	674,969	47,341	40,215	–	762,525
Long-term capital lease obligations, net of current portion	–	–	–	56,395	95	–	–	56,490
Accrued pension and postretirement benefit obligations	9,568	–	–	280,718	67,041	54,164	(9,568)	401,923
Professional liabilities	–	–	–	105,313	43,247	14,202	–	162,762
Other long-term liabilities	141,945	–	–	180,608	34,640	22,708	(136,709)	243,192
Deferred revenue	–	–	–	53,625	–	–	–	53,625
Total liabilities	213,384	14,439	63	1,779,682	271,904	186,872	(209,622)	2,256,722
Net assets								
Unrestricted	95,804	2,569	1,589	686,529	72,028	301,089	–	1,159,608
Temporarily restricted	–	–	–	46,026	28,832	29,999	–	104,857
Permanently restricted	–	–	–	26,744	19,872	21,789	–	68,405
Total net assets	95,804	2,569	1,589	759,299	120,732	352,877	–	1,332,870
Total liabilities and net assets	$ 309,188	$17,008	$ 1,652	$ 2,538,981	$ 392,636	$ 539,749	$ (209,622)	$ 3,589,592

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30, 2012

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Operating revenue:								
Net patient service revenue	$ –	$ 55,784	$ –	$ 1,733,252	$ 420,616	$ 327,382	$ –	$ 2,537,034
Other revenue	278,816	58,922	–	49,518	19,050	13,249	(314,654)	104,901
Total operating revenue	278,816	114,706	–	1,782,770	439,666	340,631	(314,654)	2,641,935
Operating expenses:								
Salaries and benefits	129,414	90,812	–	764,840	191,568	153,235	13,786	1,343,655
Supplies and other expenses	94,985	40,937	4	768,962	186,260	141,897	(309,703)	923,342
Depreciation and amortization	9,257	794	–	74,623	20,233	19,710	(5,449)	119,168
Insurance	36,949	6,383	–	15,815	2,890	(1,297)	(38,735)	22,005
Bad debts	–	2,289	–	32,863	16,623	14,027	–	65,802
Interest	–	–	–	18,104	2,724	364	–	21,192
Total operating expenses	270,605	141,215	4	1,675,207	420,298	327,936	(340,101)	2,495,164
Income (loss) from operations	8,211	(26,509)	(4)	107,563	19,368	12,695	25,447	146,771
Non-operating gain (loss), net:	14,917	(1)	–	22,853	2,164	(2,618)	(25,447)	11,868
Excess (deficiency) of revenue over expenses	23,128	(26,510)	(4)	130,416	21,532	10,077	–	158,639

(Continued on following page).

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2012

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Unrestricted net assets:								
(Deficiency) excess of revenue over expenses (continued)	$ 23,128	$ (26,510)	$ (4)	$ 130,416	$ 21,532	$ 10,077	$ –	$ 158,639
Other changes in net assets	–	–	–	397	(5)	545	–	937
Transfer to Yale-New Haven Health Services Corporation – Clinical Development Fund	9,000	–	–	(9,000)	–	–	–	–
Transfer from Yale-New Haven Health Services Corporation	(31,010)	26,510	–	2,900	900	700	–	–
Net assets released from restrictions for purchases of fixed assets	–	–	–	258	1,641	12	–	1,911
Contributed property no longer restricted								
Pension and other postretirement liability adjustments	–	–	–	(54,174)	(24,104)	(8,397)	–	(86,675)
Increase (decrease) in unrestricted net assets	1,118	–	(4)	70,797	(36)	2,937	–	74,812
Temporarily restricted net assets:								
Income from investments	–	–	–	280	–	–	–	280
Net realized and unrealized gains and losses on investments	–	–	–	6,865	3,531	5,116	–	15,512
Bequests and contributions	–	–	–	11,847	6,536	4,218	–	22,601
Net assets released from restrictions for purchases of fixed assets	–	–	–	(258)	(1,641)	(12)	–	(1,911)
Net assets released from restrictions for operations	–	–	–	(2,962)	(4,975)	(3,759)	–	(11,696)
Net assets released from restrictions for clinical programs	–	–	–	(13,693)	–	–	–	(13,693)
Net assets released from restrictions used for non-operating activities	–	–	–	–	–	(139)	–	(139)
Other changes in net assets	–	–	–	–	384	–	–	384
Increase (decrease) in temporarily restricted net assets	–	–	–	2,079	3,835	5,424	–	11,338
Permanently restricted net assets:								
Bequests, contributions, and grants	–	–	–	–	791	100	–	891
Net realized and unrealized gains and losses on investments	–	–	–	–	–	1,297	–	1,297
Changes in beneficial interest in perpetual trusts	–	–	–	1,221	–	–	–	1,221
Increase (decrease) in permanently restricted net assets	–	–	–	1,221	791	1,397	–	3,409
Increase (decrease) in net assets	1,118	–	(4)	74,097	4,590	9,758	–	89,559
Net assets at beginning of year	94,686	2,569	1,593	685,202	116,142	343,119	–	1,243,311
Net assets at end of year	$ 95,804	$ 2,569	$ 1,589	$ 759,299	$ 120,732	$ 352,877	$ –	$ 1,332,870

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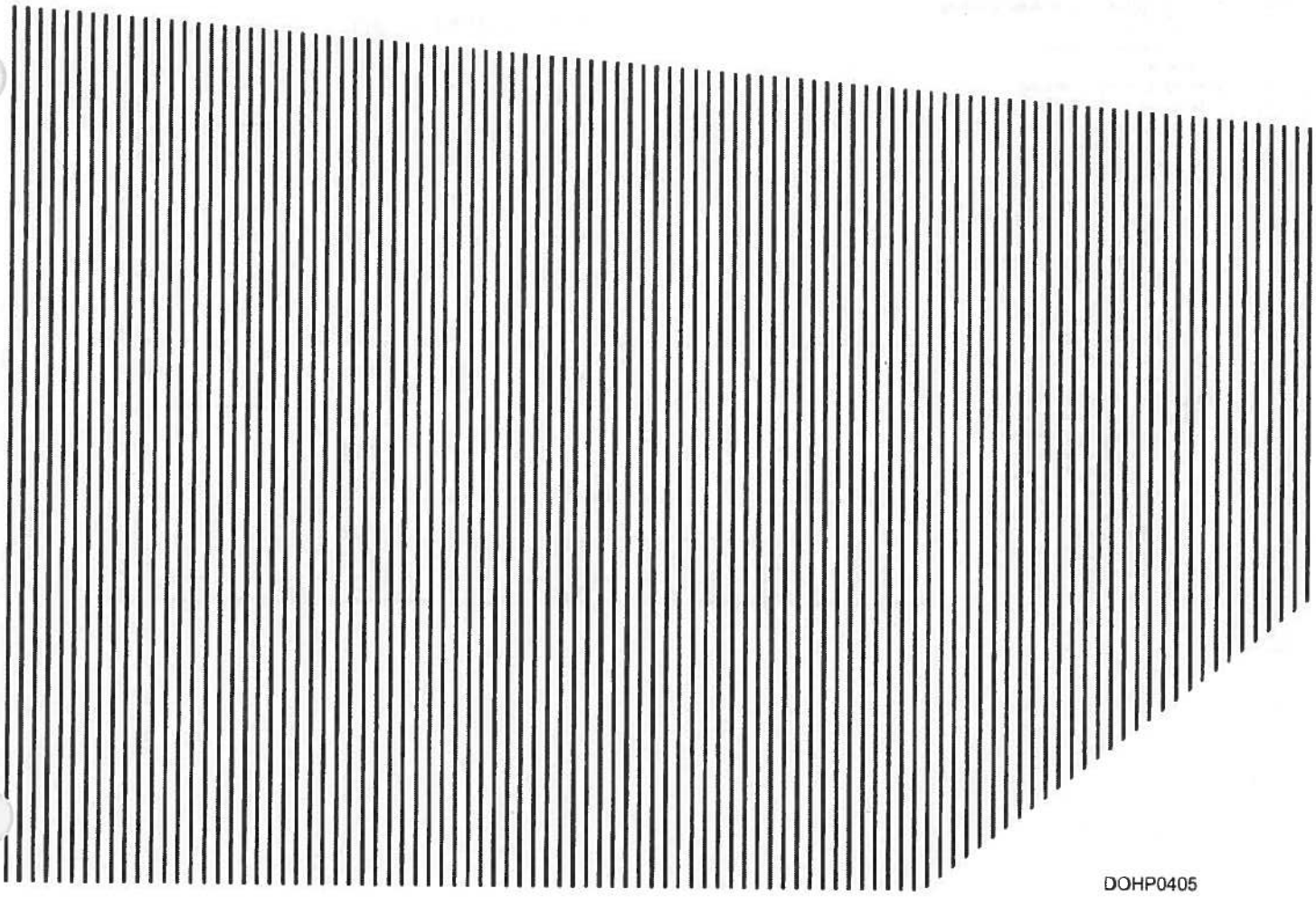

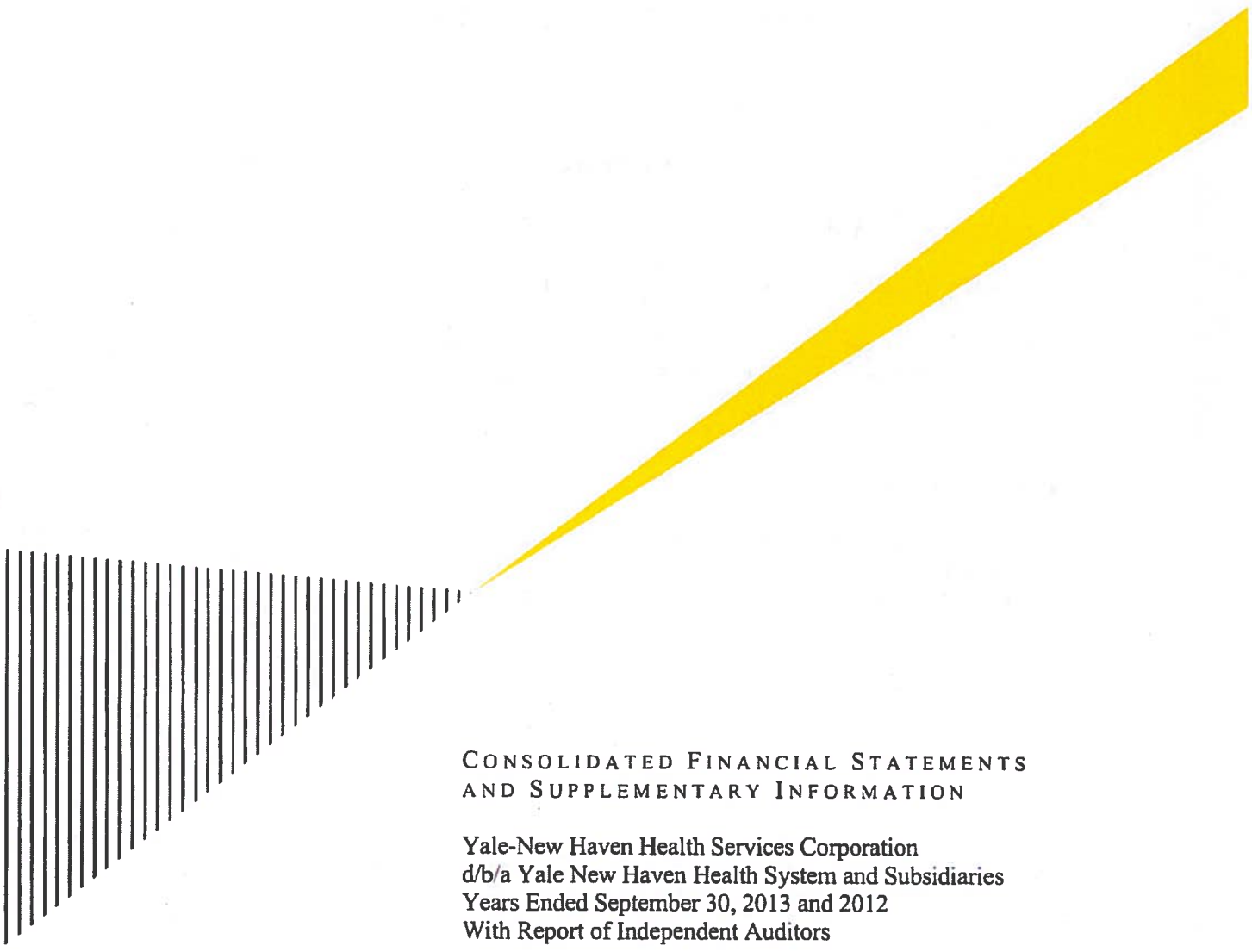

Consolidated Financial Statements and Supplementary Information

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

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DOHP0406

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2013 and 2012

Contents

Report of Independent Auditors....1

Consolidated Financial Statements

Consolidated Balance Sheets....3
Consolidated Statements of Operations and Changes in Net Assets....5
Consolidated Statements of Cash Flows....7
Notes to Consolidated Financial Statements....8

Supplementary Information

Report of Independent Auditors on Supplementary Information....63
Consolidating Balance Sheet....64
Consolidating Statement of Operations and Changes in Net Assets....66

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Report of Independent Auditors

The Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited the accompanying consolidated financial statements of Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (the System), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

A member firm of Ernst & Young Global Limited

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yale-New Haven Health Services Corporation at September 30, 2013 and 2012, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Change in Presentation of the Provision for Bad Debts

As discussed in Note 1 to the accompanying consolidated financial statements, in 2013, Yale-New Haven Health Services Corporation adopted the provisions of Accounting Standards Update No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities,* which resulted in a change to the presentation of the provision for bad debts in the accompanying consolidated statements of operations and changes in net assets effective October 1, 2011. Our opinion is not modified with respect to this matter.

Ernst & Young LLP

December 23, 2013

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	September 30 2013	2012
Assets		
Current assets:		
Cash and cash equivalents	$ 130,847	$ 106,653
Short-term investments	816,969	730,682
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity, and free care of approximately $206,203 in 2013 and $102,189 in 2012	334,974	293,373
Professional liabilities insurance recoveries receivable – current portion	38,264	29,336
Other current assets	87,911	129,764
Amounts on deposit with trustee in debt service fund	7,176	8,494
Total current assets	1,416,141	1,298,302
Assets limited as to use	174,471	195,121
Long-term investments	338,009	276,298
Deferred financing costs, less accumulated amortization	8,519	5,649
Professional liabilities insurance recoveries receivable – non-current	96,328	80,128
Goodwill	56,439	35,952
Other assets	177,549	168,749
Property, plant, and equipment, net	1,533,825	1,375,209
Construction in progress	44,054	154,184
	1,577,879	1,529,393
Total assets	$ 3,845,335	$ 3,589,592

	September 30 2013	2012
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 474,100**	$ 407,053
Current portion of long-term debt	**45,780**	51,590
Current portion of capital lease obligation	**2,598**	56,313
Professional liabilities – current portion	**38,264**	29,336
Other current liabilities	**36,164**	31,913
Total current liabilities	**596,906**	576,205
Long-term debt, net of current portion	**764,309**	762,525
Long-term capital lease obligations, net of current portion	**53,896**	56,490
Accrued pension and postretirement benefit obligations	**264,775**	401,923
Professional liabilities	**182,728**	162,762
Other long-term liabilities	**225,405**	243,192
Deferred revenue	**47,297**	53,625
Total liabilities	**2,135,316**	2,256,722
Commitments and contingencies		
Net assets:		
Unrestricted	**1,511,282**	1,159,608
Temporarily restricted	**128,558**	104,857
Permanently restricted	**70,179**	68,405
Total net assets including non-controlling interest	**1,710,019**	1,332,870
Total liabilities and net assets	**$ 3,845,335**	$ 3,589,592

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets
(In Thousands)

	Year Ended September 30	
	2013	**2012**
Operating revenue:		
Net patient service revenue	**$ 3,260,388**	$ 2,535,613
Less: Provision for bad debts	**(98,606)**	(65,793)
Net patient service revenue, less provision for bad debts	**3,161,782**	2,469,820
Other revenue	**118,572**	104,901
Total operating revenue	**3,280,354**	2,574,721
Operating expenses:		
Salaries and benefits	**1,701,365**	1,341,865
Supplies and other expenses	**1,229,160**	921,973
Depreciation and amortization	**164,253**	119,138
Insurance	**23,007**	22,005
Interest	**26,387**	21,192
Total operating expenses	**3,144,172**	2,426,173
Income from operations	**136,182**	148,548
Non-operating gains and losses, net	**70,835**	10,091
Excess of revenue over expenses	**207,017**	158,639

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(In Thousands)

	Year Ended September 30	
	2013	**2012**
Unrestricted net assets:		
Excess of revenue over expenses	**$ 207,017**	$ 158,639
Other changes in net assets	**(176)**	937
Net assets released from restrictions for purchases of fixed assets	**1,040**	1,911
Pension and other postretirement liability adjustments	**143,793**	(86,675)
Increase in unrestricted net assets	**351,674**	74,812
Temporarily restricted net assets:		
Income from investments	**241**	280
Net realized and unrealized gains on investments	**15,553**	15,512
Bequests and contributions	**31,102**	22,601
Net assets released from restrictions for purchases of fixed assets	**(1,040)**	(1,911)
Net assets released from restrictions for operations	**(12,789)**	(11,696)
Net assets released from restrictions for clinical programs	**(10,277)**	(13,693)
Net assets released from restrictions used for non-operating activities	**(5)**	(139)
Other changes in net assets	**916**	384
Increase in temporarily restricted net assets	**23,701**	11,338
Permanently restricted net assets:		
Bequests and contributions	**1,041**	891
Net realized and unrealized losses on investments	**322**	1,297
Change in beneficial interest in perpetual trusts	**411**	1,221
Increase in permanently restricted net assets	**1,774**	3,409
Increase in net assets	**377,149**	89,559
Net assets at beginning of year	**1,332,870**	1,243,311
Net assets at end of year	**$ 1,710,019**	$ 1,332,870

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended September 30 2013	2012
Operating activities		
Increase in net assets	$ 377,149	$ 89,559
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	164,253	119,138
Net realized and change in net unrealized gains and losses on investments	(75,384)	(72,964)
Change in fair value of interest rate swap agreements	(19,493)	7,741
Amortization of long-term debt premium	(1,457)	(854)
Bad debts	98,606	65,793
Amortization of deferred financing costs	360	332
Change in perpetual trusts	(934)	(2,490)
Bequests and contributions, net of pledges	(26,084)	(26,352)
Pension and other postretirement liability adjustments	(143,793)	86,675
Changes in operating assets and liabilities:		
Accounts receivable, net	(140,207)	(107,381)
Other assets	26,082	36,556
Accounts payable and accrued expenses	67,047	39,380
Professional insurance recoveries and liabilities	3,766	36,533
Other liabilities	6,274	(31,570)
Net cash provided by operating activities	336,185	240,096
Investing activities		
Net acquisitions of property, plant, and equipment	(266,025)	(213,521)
Sale of property	53,605	–
Capitalized interest	146	3,278
Cash paid for the acquisition, net of cash acquired	(13,981)	(133,800)
Net change in investments	(72,614)	(178,760)
Amounts deposited with trustee in debt service fund	1,318	1,442
Assets limited as to use	21,584	18,936
Net cash used in investing activities	(275,967)	(502,425)
Financing activities		
Proceeds from issuance of debt	232,000	40,733
Proceeds from notes payable	14,000	217,235
Proceeds from line of credit payable	25,000	–
Payments of long-term debt	(17,032)	(60,935)
Payments on bank line of credit payable	(210,900)	–
Payments of notes payable	(45,637)	–
Payments on capital lease obligations	(56,309)	(3,903)
Deferred financing costs	(3,230)	–
Bequests, and contributions, net of pledges	26,084	26,352
Net cash (used in) provided by financing activities	(36,024)	219,482
Net increase (decrease) in cash and cash equivalents	24,194	(42,847)
Cash and cash equivalents at beginning of year	106,653	149,500
Cash and cash equivalents at end of year	$ 130,847	$ 106,653

See accompanying notes.

Yale-New Haven Health Services Corporation
d/b/a Yale-New Haven Health System and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2013

1. Organization and Significant Accounting Policies

Yale-New Haven Health Services Corporation (Y-NHHSC), formed in 1983, was incorporated under the Not-for-Profit Corporation Law to coordinate the activities of the members of the Yale-New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (collectively, the System), and is an integrated regional health care delivery system. The System currently includes the following entities:

Y-NHHSC is the parent company of YNH Network Corporation (YNHNC) and Y-NHH-MSO, Inc. (MSO), as well as the sole member of Bridgeport Hospital & Healthcare Services, Inc. (BHHS), Greenwich Health Care Services, Inc. (GHCS) and Northeast Medical Group, Inc (NEMG).

YNHNC was incorporated as of April 1, 1998, and is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3). Under the terms of an assignment and assumption agreement executed on May 10, 2001, YNHNC became the sole member of Yale-New Haven Hospital, Inc. and the parent organization of Yale-New Haven Ambulatory Services Corporation and York Enterprises, Inc. and Subsidiaries. YNHNC is the parent of:

- Yale-New Haven Hospital, Inc. (Y-NHH), a voluntary association incorporated under the General Statutes of the State of Connecticut. The Board of Trustees of Y-NHH, appointed by YNHNC, controls the operations of Y-NHH.

- YNHCCC, a Connecticut non stock corporation, is a wholly-owned subsidiary of Yale-New Haven Network Corporation (YNHNC). YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury, or a traumatic major illness. Its services include respite care for family members and caregivers, stroke recovery for victims of strokes, orthopedic recovery services, medications and diagnostic services (such as radiological services).

- Yale-New Haven Ambulatory Services Corporation (ASC), a Connecticut non-stock, taxable corporation, operates a recovery care centers, and is 51% owner of Shoreline Surgery Center, LLC (SSC) and SSC II, LLC.

1. Organization and Significant Accounting Policies (continued)

- York Enterprises, Inc. and Subsidiaries (York), a Connecticut corporation formed for the purpose of initiating or acquiring business entities. Currently, York has two subsidiaries: Medical Center Pharmacy and Home Care, Inc. (MCP) and Medical Center Realty, Inc. (MCR). MCP is a Connecticut stock, for-profit company, which operated a retail pharmacy with multiple locations until February 2011. MCR is a Connecticut stock, for-profit company, which owns or holds leases on the System's affiliated commercial space. York is the sole shareholder of MCP and MCR.

- Quinnipiac Medical Center P.C. (QMPC) and Community Health Care Physicians (CHCP) are Connecticut stock, for-profit, professional corporations formed in 1994 and 1996, respectively, to employ New Haven area primary care physicians. All of the stock of QMPC and CHCP is owned by the Chief of Staff of Y-NHH, who has assigned his rights in QMPC and CHCP to YNHNC.

BHHS is a Connecticut not-for-profit, non-stock corporation established to promote and carry out charitable, scientific, and educational activities. Y-NHHSC is the sole member of BHHS. BHHS and its subsidiaries have continued to operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of BHHS. BHHS is the sole member of the following not-for-profit, non-stock corporations:

- Bridgeport Hospital, a voluntary association incorporated under the General Statutes of the State of Connecticut, provides health care services to the Fairfield County community.

- Bridgeport Hospital Foundation solicits contributions for the benefit of BHHS, Bridgeport Hospital, and all other tax-exempt health care organizations associated with BHHS.

- Southern Connecticut Health System Properties, Inc. is a real estate holding company, which sold primarily all of its assets to Bridgeport Hospital during 1998.

1. Organization and Significant Accounting Policies (continued)

NEMG is a tax-exempt medical foundation that provides physician-related services to Bridgeport, Greenwich, and Yale-New Haven Hospitals and their surrounding communities. NEMG operates autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of NEMG.

GHCS is the parent corporation of a group of wholly owned subsidiaries, including Greenwich Hospital, The Perryridge Corporation, Greenwich Health Care Services, Inc. (GHSI), the Greenwich Hospital Endowment Fund, Inc., and Greenwich Ambulatory Surgery Center, LLC (GASC). GHCS and its subsidiaries, with the exception of GHSI, are Section 501(c)(3) not-for-profit organizations, and are exempt from federal income taxes under Section 501(a) of the Code. Greenwich Hospital, a non-stock Connecticut corporation, is a wholly owned subsidiary of GHCS (the sole member), providing health care services to the lower Fairfield County and Westchester County, New York communities. GHCS and its subsidiaries have continued to operate autonomously with a separate board, management, and medical staff. Y-NHHSC must approve the strategic plans, operating budgets, capital budgets, any transfer of assets, and Board of Director appointments of GHCS and its subsidiaries.

On October 21, 2010, GASC entered into an agreement to operate Orthopedic & Neurosurgery Center of Greenwich, LLC (the JV), for the purpose of providing outpatient surgical services in the greater Fairfield County and Westchester County communities. GASC holds governance control of the JV and a 35% equity interest as of September 30, 2011. Accordingly, the accounts of the JV have been included in the balance sheets of GASC. The non-controlling interest in the JV is reported in the consolidated financial statements.

MSO, a for-profit stock corporation, was formed to manage physician practices and provide third-party administration services on certain managed care contracts. The capital stock of MSO consists of 20,000 shares of common stock, par value of one one-hundredth of a dollar per share. The Board of Directors of MSO is appointed by Y-NHHSC, the sole shareholder, who controls MSO's operations.

1. Organization and Significant Accounting Policies (continued)

Acquisitions

On September 12, 2012, Y-NHH, ASC, YNHCCC, and York, acquired substantially all of the business, assets, and operations and assumed certain liabilities of the Saint Raphael Healthcare System, Inc. (SRHS), including substantially all of the assets of its wholly-owned subsidiary, the Hospital of Saint Raphael (HSR), a 511-bed acute care hospital located in New Haven, CT. Other affiliates of SRHS whose assets were acquired in connection with the transaction include the following:

- Saint Regis Health Center, Inc. d/b/a Sister Anne Virginie Grimes Health Center (Grimes), a tax-exempt, skilled nursing facility that operated with 120 licensed beds which was a wholly-owned subsidiary of SRHS. In connection with the transaction, YNHCCC acquired substantially all of the land, buildings, equipment and bed licenses associated with Grimes.

- Caritas Insurance Company, Ltd. (Caritas), a Vermont-domiciled, captive insurance company licensed under Chapter 141 of Title 8 of the Vermont Statutes Annotated. Caritas is a tax-exempt supporting organization having HSR as its sole shareholder. Caritas provides excess professional liability coverage and general liability coverage. Caritas was a wholly-owned subsidiary of HSR. In connection with the transaction Y-NHH acquired 100% of the stock of Caritas.

- Lukan Indemnity Company, Ltd. (Lukan), a Bermuda-domiciled captive insurance company that provides primary professional liability coverage. Lukan was a wholly-owned subsidiary of HSR. In connection with the transaction, Y-NHH acquired 100% of the stock of Lukan.

- DePaul Health Services Corporation (DePaul), a Connecticut nonstock corporation which held interests in investments and other assets on behalf of HSR. In connection with the transaction, ASC acquired certain interests in investments from DePaul.

1. Organization and Significant Accounting Policies (continued)

- Saint Raphael Foundation, Inc. (the Foundation), a tax-exempt fundraising foundation of HSR which was a subsidiary of SRHS. In connection with the transaction, certain assets of the Foundation were acquired by Y-NHH.

The total consideration transferred by Y-NHH, ASC, YNHCCC and York was approximately $237.9 million, including $160.0 million in cash and an installment payable plus the assumption of liabilities totaling $77.9 million, as follows (in thousands).

Cash consideration	$ 150,000
Installment payments	10,000
Assumption of liabilities	77,927
Total consideration transferred	$ 237,927

The acquisition of substantially all of the business, assets, and operations and assumption of liabilities of HSR included installment payments in the amount of $10 million payable in two equal installments which were made in October 2012 and March 2013.

Y-NHH and its affiliates have accounted for the business combination applying the acquisition method of accounting in accordance with Accounting Standards Codification Topic 805, *Business Combinations* ("Topic 805")

1. Organization and Significant Accounting Policies (continued)

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the acquisition date. Determining the fair value of the assets acquired and liabilities assumed requires judgment and involves the use of significant accounting estimates and assumptions, including assumptions with respect to future cash inflows and outflows and discount rates, among others.

	Y-NHH	ASC	YNHCCC	York	Total
Assets acquired:					
Cash	$ 16,200	$ –	$ –	$ –	$ 16,200
Other current assets	7,240	–	–	187	7,427
Other receivables	7,400	–	–	–	7,400
Goodwill	35,685	–	–	–	35,685
Other long-term assets	53,771	12,500	700	–	66,971
Property, plant, and equipment	100,156	–	4,075	13	104,244
	220,452	12,500	4.775	200	237,927
Liabilities assumed:					
Accrued expenses	36,419	–	775	–	37,194
Other long-term liabilities	40,733	–	–	–	40,733
Total	77,152	–	775	–	77,927
Assets and liabilities acquired	$ 143,300	$ 12,500	$ 4,000	$ 200	$ 160,000
Cash paid for acquisition	$ 150,000	$ –	$ –	$ –	$ 150,000
Installment payments	$ 10,000	$ –	$ –	$ –	10,000
Change in net assets					$ –

Y-NHH recorded goodwill in the amount of $35.7 million. In connection with the finalization of the fair value measurement of the assets and liabilities acquired, Y-NHH recorded additional goodwill of approximately $2.3 million during 2013. In determining the amount of goodwill, all assets acquired and liabilities assumed were measured at fair value as of the acquisition date. Factors contributing to goodwill that resulted from the acquisition include, but are not limited to, the efficiencies that will result from the combination of the campuses and their proximity.

1. Organization and Significant Accounting Policies (continued)

As part of the acquisition ASC acquired a non-controlling interest in the following investments previously owned by HSR:

- YNHASC acquired a 49% equity interest in Saint Raphael Dialysis Center (SDC). SDC is an outpatient dialysis center with 4 locations to treat people with chronic kidney failure.

- YNHASC acquired a 50% equity interest in Saint Raphael Magnetic Resonance Partnership (SRMP) SRMP provides radiology services using a magnetic resonance imaging machine.

- YNHASC acquired a 49% equity interest in Connecticut CK Leasing LLC (CCK). CCK provides radiation to treat malignant and benign tumors.

Total assets and liabilities of SDC, SRMP and CCK were approximately $17.5 million and $1.9 million and $4.0 million and $2.7 million, respectively, at September 30, 2013 and 2012, respectively.

YNHCCC, ASC and York each respectively paid amounts equal to the fair values for assets acquired, net of liabilities assumed, with cash provided by Y-NHH.

The results of HSR for the period September 12, 2012 through September 30, 2012, have been combined with Y-NHH and included in the 2012 consolidated financial statements.

1. Organization and Significant Accounting Policies (continued)

The following table summarizes amounts attributed to SRHS since the acquisition date that are included in the accompanying consolidated financial statements for the year ended September 30, 2012 (in thousands):

	Period From September 12, 2012 to September 30, 2012
Total operating revenue	$ 23,554
Total operating expense	24,850
Loss from operations	(1,296)
Non-operating gains and losses, net	71
Deficiency of revenue over expenses	$ (1,225)
Change in net assets:	
Unrestricted net assets	$ (1,201)
Temporarily restricted net assets	
Permanently restricted net assets	-
Total change in net assets	$ (1,201)

1. Organization and Significant Accounting Policies (continued)

The following table represents pro forma financial information, assuming the acquisition of SRHS had taken place October 1, 2011. The pro forma information includes adjustments for the amortization of intangible assets. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transaction been effected on the acquisition date (in thousands).

	2012
Total operating revenue	$ 3,159,949
Total operating expense	3,029,729
Loss from operations	130,220
Non-operating gains and losses, net	13,235
Excess of revenue over expenses	$ 143,455
Change in net assets:	
Unrestricted net assets	$ 75,395
Temporarily restricted net assets	7,161
Permanently restricted net assets	165
Total change in net assets	$ 82,721

During 2013, Bridgeport Hospital acquired substantially all of the business, assets, and operations of Robert D. Russo and Associates Radiology P.C. ("Russo Radiology"). The acquisition includes installment payments totaling $15 million, including interest, ranging from approximately $1.5 million to $3.9 million due from May 2013 through June 2017. At September 30, 2013, Bridgeport Hospital has a liability of approximately $9.5 million remaining. Bridgeport Hospital has accounted for the business combination by applying the acquisition method of accounting in accordance with Topic 805. The purchase price in excess of the fair value of identified assets aggregated approximately $13.5 million which has been recorded as goodwill. There were no liabilities assumed at the acquisition date.

1. Organization and Significant Accounting Policies (continued)

Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the System and its subsidiaries. All significant intercompany revenue and expenses and inter-company balance sheet accounts have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

During fiscal 2013 and 2012, the System recorded a change in estimate of approximately $9.7 and $16.8 million, respectively. Included in the change are amounts related to unfavorable third-party payor settlements at September 30, 2013 and 2012.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose, and appreciation on permanently restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity. The System is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from the trusts is unrestricted, and the assets are classified as permanently restricted.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recognized as revenue, and is classified as either unrestricted or temporarily restricted in accordance with donor-imposed restrictions, if any, on the contributions.

1. Organization and Significant Accounting Policies (continued)

Capital Campaign and Pledges Receivable

Contributions and pledges receivable, included in other current assets and other assets in the accompanying consolidated balance sheets at September 30, 2013 and 2012, are expected to be received as follows (in thousands):

	September 30 2013	2012
Less than one year	$ 9,482	$ 3,357
One to five years	1,772	3,254
	11,254	6,611
Less unamortized discount on contributions receivable (0.2% to 4.2%)	(65)	(124)
	11,189	6,487
Allowance for uncollectible contributions	(336)	(173)
Contributions receivable, net	$ 10,853	$ 6,314

Excluded from contributions receivable are certain items, primarily letters of intent, which are not legally binding, and gifts conditional on events that have not yet occurred.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use, and which are not maintained in the short-term or long-term investment portfolios.

1. Organization and Significant Accounting Policies (continued)

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is the System's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

Investments

The System has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value (quoted market prices) in the accompanying consolidated balance sheets.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the System holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the University) reported net asset value per unit for measurement of the units' fair value for the Yale University investment. Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the System's holdings may be determined by the investment manager or general partner. Fund of

1. Organization and Significant Accounting Policies (continued)

funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the System to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the System's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors. The System has made investment commitments of approximately $38.6 million in these alternative investments, of which approximately $34.2 million has been funded as of September 30, 2013

The System participates in the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust is comprised of two pools: the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

Under the terms of the investment management agreement with the Trust, withdrawals of investments in the L-TIP can be made annually by each Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2013, each Hospital can withdrawal 100% of its investment in the L-TIP on July 1, 2012. Withdrawals of investments in the I-TIP in any amount can be made quarterly with 30 days advance notice.

The Trust has entered into an agreement with The University's investment office (the Investment Management Agreement) which allows the University to manage a portion of Trust's investments as part of the University's Endowment Pool (the Pool). Under the terms of the agreement for the years ended September 30, 2013 and 2012, the Trust transferred $100 million and $50 million, respectively, to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income, and cash.

1. Organization and Significant Accounting Policies (continued)

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1 For withdrawals of amounts less than $150.0 million or 75% of the Trust's investment in the Pool, $100.0 million or 50% of the Trust's investment in the Pool, and $50.0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In March 2006, YNHNC entered into an arrangement with the University, whereby the University will manage certain Board-designated assets of YNHNC. These Board-designated assets are commingled in the University's endowment pool. As of September 30, 2013 and 2012. the carrying value of assets managed by the University under this agreement was approximately $9.1 million and $8.5 million, respectively. Because of the limitations on their use, the assets are separately classified from assets invested under the Investment Management Agreement.

In 2011, the investment management agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances interest of U.S. Prime rate, plus two percent (2%) will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of Trust's units in the Endowment using the June 30th unit valuation. No advances have been requested or taken by the Trust.

Short-term investments represent those securities that are available for the System's operations, and can be converted to cash within one year.

Inventories

Inventories are stated at the lower of cost or market. The System values its inventories using the first-in, first-out method, with the exception of YNHNC's pharmacy inventories, which are valued at average cost.

1. Organization and Significant Accounting Policies (continued)

Assets Limited as to Use

Assets so classified represent assets held by trustees under indenture agreements, beneficial interest in perpetual trusts, and designated assets set aside by the Board of Trustees for future capital improvements, and other Board-approved uses. The Board of Trustees retains control and, at its discretion, may use for other purposes assets limited as to use for plant improvements and expansion. Amounts required to meet current liabilities are reported as current assets. These funds consist primarily of U.S. government securities, equities, debt securities, mutual funds, and money market funds.

Perpetual Trusts

The System is the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts, which are measured based on the fair value of the assets held by the trust, are recognized as assets and contribution revenue at the dates the trusts are established. Distributions from the trusts related to earnings and investment income are recorded as contributions, and the carrying value of the assets is adjusted for changes in the fair value.

Interest Rate Swap Agreements

The System utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The System is exposed to credit loss in the event of non-performance by the counterparties to its interest rate swap agreements. The System is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the System.

Benefits and Insurance

The System is effectively self-insured for medical, dental, hospitalization, and prescription drug benefits provided to employees. YNHNC and Y-NHHSC make annual contributions to the Y-NHHSC Voluntary Employee Beneficiary Association (VEBA) plan to fund medical, dental, hospitalization, group term life insurance, and prescription drug benefits. Annually, premiums

1. Organization and Significant Accounting Policies (continued)

are set to reflect the estimated cost of benefits. During the years ended September 30, 2013 and 2012, YNHNC and Y-NHHSC made actuarially determined contributions, net of premium adjustments, to the VEBA plan of approximately $159.7 million and $124.4 million, respectively.

Professional Liability Insurance

The System is self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including claims incurred but not reported (IBNR), and are based on System-specific experience. At September 30, 2013 and 2012, the estimated discounted liabilities for self-insured workers' compensation claims and IBNR aggregated approximately $29.0 million discounted at 2.5% and $21.3 million, discounted at 3.0%, respectively, and are included in other long-term liabilities in the accompanying consolidated balance sheets.

The System records the actuarially determined liabilities for IBNR professional and general liabilities (Note 10).

Property, Plant, and Equipment

Property, plant, and equipment purchased are carried at cost, and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of, and any resulting gain or loss is included in income from operations. Depreciation of property, plant, and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives, ranging from 3 to 50 years. The cost of additions and improvements are capitalized, and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

Y-NHH and the Housing Authority of New Haven (HANH) have entered into an agreement to swap parcels of land on the Legion/Howard/Sylvan/Ward block located in New Haven, Connecticut. As part of the key terms of the agreement, HANH has pledged an account to Y-NHH in the amount of $5.7 million. The pledged account was established at the time Y-NHH conveyed the land to HANH in July 2010. In the event that HANH fails to meet certain requirements of the agreement, including conveying its land parcel to Y-NHH, Y-NHH has the

1. Organization and Significant Accounting Policies (continued)

right to withdraw from the pledged account in the amount of $5.2 million, unless the pledged account is extended with an annual increase of approximately $180,000. As of September 30, 2013, no events have occurred that would require an increase to the pledged account or that would require Y-NHH to withdraw funds from the pledged account.

Goodwill

Goodwill is not amortized but instead tested at least annually for impairment or more frequently when events or changes in circumstances indicate that the assets might be impaired. This impairment test is performed annually at the reporting unit level. The System evaluates goodwill at the entity level as management has determined that the System's operation comprise a single reporting entity. Goodwill is considered to impaired if the carrying value of the reporting unit, including goodwill, exceeds the reporting unit's fair value. Reporting unit fair value is estimated using both income (discounted cash flows) and market approaches.

The discounted cash flow approach requires the use of assumptions and judgments including estimates of future cash flows and the selection of discount rates. The market approach relies on comparisons to publicly traded stocks or to sales of similar companies. The System has determined that no goodwill impairment exists at September 30, 2013.

Deferred Revenue

Deferred revenue includes amounts which have been received that relate to future years. Amounts will be reduced as revenue is earned.

Excess of Revenue Over Expenses

In the accompanying consolidated statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating. Included in non-operating gains and losses are expenses incurred related to the acquisition of the SRHS.

1. Organization and Significant Accounting Policies (continued)

Contributions of, or restricted to, property, plant, and equipment, and pension and other postretirement liability adjustments are excluded from the performance indicator, but are included in the change in net assets.

Income Taxes

Most entities within the System are not-for-profit corporations as described in Section 501(c)(3) of the Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Provisions for income taxes and deferred taxes, which are not material to the consolidated financial statements, have been made for the taxable entities listed above under the description of the System.

Operating Expenses

YNHNC records amounts received from the University, area hospitals, and other local health care providers for costs incurred on behalf of those organizations as reductions to expenses. For the years ended September 30, 2013 and 2012, YNHNC recorded approximately $67.3 million and $52.9 million, respectively, as reductions to expenses.

Deferred Financing Costs

The System capitalizes costs incurred in connection with the issuance of long-term debt, and amortizes these costs over the life of the respective obligations using the effective interest method (Note 8). The accumulated amortization of deferred financing costs was approximately $1.8 million and $1.5 million at September 30, 2013 and 2012, respectively. See Note 8 for additional information relative to debt-related matters.

Impairment of Assets

The System reviews property, equipment, and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the System recognizes a loss on the basis of whether these amounts are fully recoverable.

1. Organization and Significant Accounting Policies (continued)

New Accounting Pronouncement

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU No. 2011-07"). In accordance with ASU No. 2011-07, the System changed the presentation of its consolidated statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, similar to contractual allowances and discounts. Additionally, the System has provided enhanced disclosures about its policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The System adopted this accounting standard update as of October 1, 2012, and retrospectively applied the presentation of the provision for bad debts in the accompanying consolidated statements of operations and changes in net assets to all periods presented. The enhanced disclosure requirements are required in the period of adoption and subsequent reporting periods (see Note 2). The System's adoption of this update has no effect on the previously reported excess of revenue over expenses or on net assets.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2012 balances previously reported in the financial statements in order to conform with the year ended September 30, 2013 presentation, including the reclassification of provision for doubtful accounts on the statements of operations related to the adoption of ASU 2011-07.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program, includes premium revenue, and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such audits, reviews, and investigations.

Third-party payor receivables included in other receivables were $10.7 million and $35.9 million at September 30, 2013 and 2012, respectively. Third-party payor receivables included in other long-term assets were $11.3 million and $19.5 million at September 30, 2013 and 2012, respectively. Third-party payor liabilities included in other current liabilities were $24.0 million and $12.8 million at September 30, 2013 and 2012, respectively. Third-party payor liabilities included in other long-term liabilities were $66.3 million and $54.8 million at September 30, 2013 and 2012, respectively.

The System has established estimates, based on information presently available, of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and System-specific data. Such amounts are included in accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the System. If the appeals are successful, additional income applicable to those years might be realized.

Revenue from Medicare and Medicaid programs accounted for approximately 32% and 14%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2013, and approximately 28% and 13%, respectively, of the System's consolidated net patient service revenue for the years ended September 30, 2012. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 37% and 26%, and 33% and 30%, respectively, for the years ended September 30, 2013 and 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The System believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing, except as disclosed in Note 11. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the System. Cost reports for the System's hospitals, which serve as the basis for final settlement with government payors have been settled by final settlement for various years ranging through 2007 for Medicare and through 1994 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 31% from Medicare, 13% from Medicaid, and 56% from non-governmental payors at September 30, 2013 and 28% from Medicare, 10% from Medicaid, and 62% from non-governmental payors at September 30, 2012.

Patient service revenue for the year ended September 30, 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation, is as follows:

	Third-Party	Self-Pay	Total All Payors
		(In Thousands)	
Patient service revenue (net of contractual allowances and discounts)	$ 3,131,413	$ 128,975	$ 3,260,388

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and the System considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

The System's allowance for doubtful accounts totaled approximately $206.2 million and $102.2 million at September 30, 2013 and 2012, respectively. The allowance for doubtful accounts for self-pay patients was approximately 84.5% and 74.1% of self-pay accounts receivable as of September 30, 2013 and 2012, respectively. Overall, the total of self-pay discounts and write-offs did not change significantly in 2013. The System did not experience significant changes in write-off trends and did not change its charity care policy in 2013.

3. Uncompensated Care and Community Benefit Expense

The System's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford health care because of inadequate resources, and/or who are uninsured or underinsured.

The System makes available free care programs for qualifying patients. In accordance with the established policies of the System, during the registration, billing, and collection process, a patient's eligibility for free care funds is determined. For patients who were determined by the System to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program, and whose ability to pay cannot be determined by the System, care given but not paid for is classified as charity care.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $139.7 million and $101.8 million for the years ended September 30, 2013 and 2012, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity.

The estimated cost of charity care provided was $76.8 million and $67.3 million for the years ended September 30, 2013 and 2012, respectively. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the hospital for each account analyzed.

3. Uncompensated Care and Community Benefit Expense (continued)

For the years ended September 30, 2013 and 2012, bad debt expense, at charges, was $98.6 million and $65.8 million, respectively. For the years ended September 30, 2013 and 2012, bad debt expense at cost was approximately $61.6 million and $36.0 million respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program (CDSHP) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a an assessment on hospital net patient service revenue. During the years ended September 30, 2013 and 2012, the System received $78.5 million and $97.8 million, respectively, in CDSHP distributions, of which approximately $47.3 million and $67.3 million was related to charity care. The System made payments into the CDSHP of $102.5 million and $85.5 million for the years ended September 30, 2013 and 2012, respectively, for the assessment.

Additionally, the System provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups. The System voluntarily assists with the direct funding of several City of New Haven programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the System provides additional benefits to the community through its advocacy of community service by employees. The System's employees serve numerous organizations through board representation, membership in associations and other related activities. The System also solicits the assistance of other healthcare professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use is set forth in the following table (in thousands):

	September 30 2013	2012
Money market funds	$ 205,455	$ 242,850
U.S. equity securities	84,286	58,193
U.S. equity securities – common collective trusts	20,059	10,312
International equity securities[a]	102,424	74,038
Fixed income:		
U.S. government	103,888	119,404
U.S. government – common collective trusts	98,138	106,507
International government[b]	72,106	51,742
Corporate bonds	20,562	19,786
Mortgage backed securities	44	250
Commodities	3,778	4,242
Hedge funds:		
Absolute return[c]	25,970	69,807
Long/short equity[d]	57	13,941
Private equity	7,227	6,470
Real estate[e]	12,031	12,488
Interest in Yale University endowment pool[f]	568,062	408,438
Perpetual trusts[g]	12,538	12,127
Total	$ 1,336,625	$ 1,210,595

[a] Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

[b] Investments with external commodities futures manager.

[c] Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions

[d] Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

[e] Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end REITs and limited partnerships.

[f] Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships, and commingled funds. The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

[g] Investments consist of several domestic and international equity and fixed income mutual funds, REITs. commodities and money market funds. There is also an investment in a hedge fund of funds.

4. Investments and Assets Limited as to Use (continued)

Included in assets limited as to use at September 30, 2012, are funds to be used for the various renovations and expansion Y-NHH which was funded by the Series M bond (see Note 7). These funds consisted of money market funds of approximately $13.3 million at September 30, 2012. These funds were fully exhausted during the year ended September 30, 2013.

5. Property, Plant, and Equipment

Property, plant, and equipment is as follows (in thousands):

	September 30 2013	2012
Land, buildings, and improvements	$ 1,537,530	$ 1,443,207
Equipment	1,216,242	974,171
Assets recorded under capital leases	70,262	128,717
	2,824,034	2,546,095
Less accumulated depreciation and amortization	1,290,209	1,170,886
Property, plant, and equipment, net	1,533,825	1,375,209
Construction in progress	44,054	154,184
	$ 1,577,879	$ 1,529,393

6. Endowment

The System's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The System has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of

6. Endowment (continued)

subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment related to the System's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 38,118	$ 67,358	$ 68,405	$ 173,881
Investment returns:				
Investment income	95	1,058	–	1,153
Net appreciation (realized and unrealized)	7,302	7,485	322	15,109
Total investment returns	7,397	8,543	322	16,262
Appropriation of endowment assets for expenditure	(2,504)	(7,654)	–	(10,158)
Other changes:				
Contributions	–	2,588	1,041	3,629
Change in value of beneficial interest trusts	–	–	411	411
Endowment net assets at end of year	$ 43,011	$ 70,835	$ 70,179	$ 184,025

6. Endowment (continued)

Changes in endowment net assets for the year ended September 30, 2012, are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 32,760	$ 64,452	$ 64,996	$ 162,208
Investment returns:				
Investment income	344	1,505	-	1,849
Net appreciation (realized and unrealized)	7,486	8,736	1,297	17,519
Total investment returns	7,830	10,241	1,297	19,368
Appropriation of endowment assets for expenditure	(2,472)	(7,420)		(9,892)
Other changes:				
Contributions	-	85	891	976
Change in value of beneficial interest trusts	-	-	1,221	1,221
Endowment net assets at end of year	$ 38,118	$ 67,358	$ 68,405	$ 173,881

	September 30 2013	2012
	(In Thousands)	
The portion of perpetual endowment funds subject to a time restriction under CUPMIFA:		
Without purpose restrictions	$ 8,199	$ 8,297
With purpose restrictions	62,636	59,061
Total endowment funds classified as temporarily restricted net assets	$ 70,835	$ 67,358

6. Endowment (continued)

Return Objectives and Risk Parameters

The System has adopted investment and spending policies for endowed assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under these policies, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that over time provide a rate of return that meets the spending policy objectives adjusted for inflation. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategies in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that place greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes (in thousands):

	September 30 2013	2012
Specific hospital operations, teaching, research, indigent and free care, and training	$ 103,061	$ 87,565
Plant improvement and expansion	10,200	3,718
Other health care services and operations	15,297	13,574
	$ 128,558	$ 104,857

Permanently restricted net assets of approximately $70.2 million and $68.4 million at September 30, 2013 and 2012, respectively, consist of donor restricted endowment principal and beneficial interests in perpetual trusts. The income generated from permanently restricted funds is expendable for purposes designated by donors, including research, free care, health care, and other services.

8. Debt

A summary of long-term debt and capital lease obligations is as follows (in thousands):

	September 30 2013	2012
Revenue bonds financed with the State of Connecticut Health and Educational Facilities Authority (CHEFA):		
Series C (Greenwich Hospital) maturing July 1, 2026 (variable interest rates with an average rate of approximately 3.22% for fiscal 2013)	$ 40,215	$ 42,645
Series D (Bridgeport Hospital), maturing July 1, 2025, fixed interest ranging from 2.00% to 5.00%	34,350	36,415
Series J (Y-NHH), 5.12% effective interest rate	156,120	159,110
Series K (Y-NHH), 3.11% effective interest rate	89,005	94,955
Series L (Y-NHH), 3.68% effective interest rate	107,460	107,460
Series M (Y-NHH), 5.24% effective interest rate	98,475	100,175
Series N (Y-NHH), 4.27% effective interest rate	44,815	-
Series O (Y-NHH), 2.84% effective interest rate	50,000	-
Series 2013 taxable bonds (Y-NHH), 4.13% effective rate	132,000	-
Loans payable:		
Line of credit payable (Y-NHH)	-	187,000
Line of credit payable (Y-NHH)	-	25,000
Line of credit payable (Bridgeport Hospital)	25,000	-
Bank note payable (Y-NHH), 0.07% effective interest rate	-	40,000
Term loan – November 2010, (Bridgeport Hospital) 3.22% fixed interest rate	4,940	5,543
Term loan – June, 2012 (Bridgeport Hospital) 1.66% fixed interest rate	4,167	5,235
Note payable (Bridgeport Hospital) 6.0% fixed interest	9,463	-
Term loan (ASC)	-	226
Capital lease obligation – November 2010, (Y-NHH)	-	53,827
Capital lease obligation – December 2010, (Y-NHH)	52,237	53,702
Capital lease obligation (Bridgeport Hospital)	95	168
Capital lease obligations (York), at varying rates of imputed interest of 6.25%, collateralized by leased equipment	4,162	5,106
	852,504	916,567
Add premium	14,079	10,351
Less current portion	(48,378)	(107,903)
	$ 818,205	$ 819,015

8. Debt (continued)

In September 2006, Y-NHH issued Series J revenue bonds totaling approximately $280.9 million. The proceeds, including a premium of approximately $10.1 million, were used to finance a portion of the construction costs of the Cancer Hospital, and to pay for bond issuance costs. The bond premium was being amortized and was included in capitalized interest through March 2010. As of the opening of the Cancer Hospital, the bond premium was amortized in the statement of operations and changes in net assets. The Series J revenue bonds were issued in three sub-series as follows: (1) Series J-1, approximately $174.4 million, consisting of approximately $83.7 million of serial bonds and approximately $90.7 million in term bonds bearing interest at 5% per annum; (2) Series J-2, approximately $40.0 million of revenue bonds bearing interest at 3.65% at September 30, 2007; (3) Series J-3, approximately $66.5 million of revenue bonds bearing interest 3.70% at September 30, 2007. Series J-2 and J-3 revenue bonds were refunded during the year ended September 30, 2008 by the issuance of Series L revenue bonds.

In May 2008, Y-NHH issued Series K and Series L revenue bonds totaling approximately $216.6 million. The Series K revenue bonds were issued as Variable Rate Demand Bonds ("VRDBs") in two sub-series, Series K-1 and K-2, approximately $54.6 million each, with an effective rate of 0.1% in 2013 and 2012. The proceeds from the Series K issuance were used to refund the Series I revenue bonds. The Series L revenue bonds were issued as VRDBs in two sub-series, Series L-1 and L-2, approximately $53.7 million each, with an effective rate of 0.1% and 0.8% in 2013 and 2012, respectively. The proceeds from the Series L issuance were used to refund the Series J-2 and J-3 revenue bonds.

In December 2010, the Y-NHH issued Series M revenue bonds totaling approximately $104.4 million. The proceeds, including a premium of approximately $1.0 million, were used to finance costs for the expansion and renovations to the Adult Emergency Department, the purchase and installation of machinery and equipment, various renovations and improvements to Y-NHH's infrastructure, and to pay for bond issuance costs. The premium was being amortized and included in capitalized interest through December 2012. As of the completion of these projects, the bond premium was amortized in the statement of operations and changes in net assets. The Series M revenue bonds were issued as one series consisting of approximately $33.9 million of serial bonds bearing interest at 4.69%, and approximately $17.6 million, $17.8 million, and $35.1 million in term bonds bearing interest at 5.25%, 5.75%, and 5.50%, respectively, per annum.

8. Debt (continued)

In January 2013, Y-NHH issued Series N and Series O revenue bonds totaling approximately $100.0 million. The Series N revenue bonds were issued as fixed rate bonds with an effective interest rate of 4.27%. The Series O revenue bonds were issued as VRDBs with an effective interest rate of 2.84% at September 30, 2013. The proceeds, including a premium of approximately $5.2 million for the Series N revenue bonds, were used to refinance the line credit used to finance the acquisition of HSR. The bond premium was amortized as interest expense in the accompanying consolidated statement of operations and changes in net assets.

The Series K, Series L and Series O VRDBs are required to be supported by letter of credit facilities ("LOCs") which have been executed with three financial institutions. These LOCs are scheduled to expire on May 2, 2016, May 14, 2016, and February 14, 2018, respectively.

In January 2013, Y-NHH issued Series 2013 taxable bonds totaling approximately $132.0 million. The Series 2013 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.13%. The proceeds were used to finance and refinance the costs of certain projects and activities in furtherance of Y-NHH's tax exempt purpose including the refinancing of certain existing indebtedness.

On August 30, 2011, Y-NHH entered into a loan agreement with Bank of America, N.A. (the "Bank") for $40.0 million. Y-NHH agreed to repay the Bank the aggregate principal amount in five equal annual payments of $8.0 million, beginning on October 1, 2012. The loan bears interest at a rate equal to LIBOR plus 0.50% per annum with an option to convert to a fixed rate loan upon formal notification to the Bank, which may include a portion of or the total outstanding loan balance at the time notification is made. The loan was fully repaid by the issuance of the Series N, Series O, and Series 2013 bonds.

In July 2012, Y-NHH entered into a line of credit with the Bank in the amount of $27.0 million which was subsequently increased to $187.0 million upon the execution of the HSR asset purchase agreement. In July 2012, Y-NHH drew the unconditional loan of $27.0 million to outfit a new facility. In September 2012, Y-NHH drew the remaining $160.0 million to fund the acquisition of HSR. The line of credit requires Y-NHH to repay the Bank in 24 equal monthly installments commencing on August 1, 2013. The full amount of the remaining balance is due on July 12, 2015. This obligation bears interest at a rate equal to LIBOR plus 0.45% per annum. The line of credit was fully repaid and cancelled by the issuance of the Series N, Series O, and Series 2013 bonds.

8. Debt (continued)

In September 2012, Y-NHH drew on its $50.0 million line of credit with a bank, established in January 2012, in the amount of $25.0 million. This line of credit requires repayment of the aggregate principal amount on the 364th day subsequent to the advance. This obligation bears interest at a rate equal to LIBOR plus 0.50% per annum. The line of credit was repaid in December 2012.

On May 6, 2008, CHEFA issued $53.6 million of its Revenue Bonds on behalf of Greenwich Hospital, Series C, consisting of variable rate demand bonds. The proceeds were utilized for the refunding of the outstanding Series B revenue bonds. Principal amounts related to the Series C revenue bonds mature annually each July 1 through fiscal 2026. The effective interest rate of 3.22% is the result of the variable rate paid to bondholders, disclosed as interest expense of approximately $0.1 million, and net counterparty payments of approximately $1.3 million in connection with the interest rate swap included in non-operating gains and losses.

Bridgeport Hospital's Series A and C tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture. These bonds are due serially or via mandatory sinking fund redemptions through July 1, 2025. The bonds are collateralized by a pledge of the gross receipts of Bridgeport Hospital and the Foundation (the Obligated Group), and a first mortgage on substantially all property, plant, and equipment of Bridgeport Hospital. The Master Trust Indenture also places certain limits on the incurrence of additional borrowings of the Obligated Group, and requires the Obligated Group to satisfy certain measures of financial performance while the revenue bonds are outstanding. The Bridgeport Hospital Series A and C bonds are insured by commercial bond insurers to maturity.

In November 2010, Bridgeport Hospital obtained a $6.6 million term loan from the State of Connecticut Health and Educational Facilities Authority (CHEFA). The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to Bridgeport Hospital's infrastructure. The loan is to be paid in monthly installments over 10 years at a fixed interest rate of 3.22%.

In May 2012, Bridgeport Hospital's Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were held in an escrow account and used for the retirement of the outstanding Series A and C tax-exempt revenue bonds and to pay for certain bond issuance costs

8. Debt (continued)

of approximately $0.8 million. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying statement of operations and changes in net assets. In connection with the refunding and refinancing. Bridgeport Hospital recognized a loss in 2012 of approximately $1.8 million principally related to the write-off of deferred financing costs.

In June 2012, Bridgeport Hospital obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over five years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

In December 2012, in connection with the purchase of Russo Radiology, Bridgeport Hospital entered into a note payable with the seller in the amount of $14 million. The note is to be repaid in monthly installments over five years as disclosed in Note 1.

In September 2013, Bridgeport Hospital drew in full its $25 million line of credit with a bank. The bank line of credit requires payment of the outstanding principal amount twelve months subsequent to the initial advance. The obligation bears interest at a rate equal to one month LIBOR plus 1.50% per annum.

The terms of the various financing arrangements between CHEFA and the System, the financial institutions providing the LOCs and the System, and the Bank and the System provide for financial covenants regarding the System's debt service coverage ratio, liquidity ratio, and debt to capitalization ratio, among others. As of September 30, 2013 and 2012, the System was in compliance with such covenants.

Required monthly payments on the revenue bonds by the System to a trustee are in amounts sufficient to provide for the payments of principal, interest, and sinking fund installments, as well as required payments to certain reserve funds held by the trustee, in accordance with terms of the agreements, and certain other annual costs of CHEFA.

8. Debt (continued)

Scheduled principal payments on all long-term debt, including capital lease obligations, are as follows (in thousands):

	Debt	Capital Lease Obligations
Year ending September 30:		
2014	$ 45,737	$ 5,997
2015	22,277	6,197
2016	19,277	6,243
2017	20,861	5,680
2018	19,168	4,880
Thereafter	668,690	58,930
	$ 796,010	87,927
Less interest		(31,433)
		$ 56,494

Capitalized interest at September 30, 2013 and 2012, totaled $27.0 million and $26.9 million, respectively.

Y-NHH has entered into interest rate swap agreements with financial institutions related to the Y-NHH's Series K and Series L debt, and future obligations. The Series K and Series L swaps were carried over as part of the refunding of the Series I and Series J debt. On September 20, 2012, Y-NHH entered into a Forward Starting Interest Rate swap (the "Series O swap"), a LIBOR Swap Rate Lock and a SIFMA Rate Lock swap with two different counterparties. The agreements require Y-NHH to pay a fixed rate and receive a floating rate based on LIBOR or SIFMA. The change in market value, as well as the net interest paid or received under the swap agreement, for the Series J/Series L swap has been capitalized as part of the interest costs related to construction of the Cancer Hospital until construction was complete. Once the Cancer Hospital became operational these amounts were recorded in the statements of operations.

In connection with its Series C revenue bonds, Greenwich Hospital entered into an interest rate swap agreement (the swap) with a financial institution. Under the terms of the swap, Greenwich Hospital will receive variable interest payments and pay fixed interest payments on a notional value of $27.4 million.

8. Debt (continued)

The swap agreements fix the interest rate at a level viewed as desirable by the System. Such agreements expose the System to credit risk in the event of non-performance by the counterparties, some of which is collateralized. At September 30, 2013 and 2012, the fair value of the swap agreements based on current interest rates was approximately $26.5 million and $45.7 million, respectively, representing a payable to the counterparties (recorded in other long-term liabilities).

For the Y-NHH Series K swap, there was a favorable change in fair value of approximately $4.5 million for the year ended September 30, 2013, and an unfavorable change in fair value of approximately $0.9 million for the year ended September 30, 2012, which was recorded in the excess of revenue over expenses. As a result of the unfavorable change in market value of the Series K swap for the year ended September 30, 2012, $4.6 million was collateralized by Y-NHH and was held by the financial institution as of September 30, 2012, as required by the swap agreement. No collateral was required under the Series K swap agreement for the year ended September 30, 2013.

For the Y-NHH Series L swap, there was a favorable change in fair value of approximately $7.5 million for the year ended September 30, 2013, and an unfavorable change in fair value of approximately $2.0 million for the year ended September 30, 2012, which was recorded in the excess of revenue over expenses. No collateral was required under the Series L swap agreement for the years ended September 30, 2013 and 2012.

For the Y-NHH Series O swap and the Y-NHH LIBOR Swap Rate Lock swap, there was a favorable change in fair value of $2.2 million and $1.0 million, respectively, for the year ended September 30, 2013 which was recorded in excess of revenue over expenses. For the Y-NHH Series O swap, the LIBOR Swap Rate Lock and the Y-NHH SIFMA Rate Lock swaps, there was an unfavorable change in fair value of $1.0 million, $1.9 million, and $1.6 million, respectively, for the year ended September 30, 2012, which was recorded in excess of revenue over expenses. In February 2013, the Y-NHH SIFMA Rate Lock swap and the Y-NHH LIBOR Swap Rate Lock were terminated. Upon termination, gains of $0.8 million and $4.5 million, respectively, were recorded in non-operating gains and losses, net.

For Greenwich Hospital's swap, there was a favorable change in fair value of approximately $2.3 million for the year ended September 30, 2013 and an unfavorable change in fair value of $0.4 million for the year ended September 30, 2012, which were recorded in the excess of

8. Debt (continued)

revenue over expenses. Although an unfavorable change in market value of the Series C swap occurred during the year ended September 30, 2012, the terms of the swap agreement have not required Greenwich Hospital to collateralize funds to be held by the financial institution as of September 30, 2013 and 2012.

The following table summarizes the System's interest rate swap agreements (in thousands):

Swap Type	Expiration Date	System Receives	System Pays	Notional Amount at September 30 2013	2012
Series K – fixed to floating	July 1, 2025	LIBOR	3.11%	$ 59,987	$ 63,977
Series L – fixed to floating	July 1, 2036	LIBOR	3.68%	44,505	44,505
Forward starting interest rate swap	July 1, 2053	67% of LIBOR	2.84%	50,000	50,000
LIBOR Swap Rate Lock	July 1, 2043	LIBOR	2.73%	–	92,000
SIFMA Rate Lock	July 1, 2048	SIFMA	2.66%	–	50,000
Series B – fixed to floating (Greenwich Hospital)	July 1, 2026	LIBOR	3.10%	27,400	29,100
				$ 181,892	$ 329,582

For the years ended September 30, 2013 and 2012, the System paid approximately $25.0 million and $19.3 million, respectively, for interest related to long-term debt and capital lease obligations.

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that, in specified circumstances, earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the Federal government.

Y-NHH has entered into a contract to lease space in a building adjacent to Y-NHH. Y-NHH's rental obligation commenced in December 2009. This lease has a term of twenty years from the commencement date with the option to extend the lease for four successive terms of ten years. Rental payments increase by 5% every five years. Y-NHH is also subject to additional rent for its share of expenses, as defined in the contract. Y-NHH has the option to purchase the property at the end of the fifth, tenth, or twentieth year or at the end of each of the first three ten-year extension periods.

8. Debt (continued)

In January 2013, Y-NHH entered into a transaction in connection with a building at 2 Howe Street, New Haven, Connecticut which was previously accounted for by Y-NHH as a capital lease. Under the terms of the capital lease, Y-NHH was obligated to purchase the building after an initial lease term of 3 years. In satisfaction of that obligation, Y-NHH purchased the building and immediately sold the building to a third-party investor. Y-NHH currently leases the building from the investor under a long-term operating lease. Y-NHH owns the land on which the building is located and has entered into a prepaid long-term ground lease with the investor.

Assets recorded under the capital lease obligations totaled $70.5 million and $128.2 million as of September 30, 2013 and 2012, respectively. Accumulated depreciation for the capital lease obligations totaled $16.8 million and $18.0 million at September 30, 2013 and 2012, respectively.

9. Pensions and Postretirement Benefits

The System has qualified and non-qualified defined benefit pension plans covering substantially all employees and executives. The benefits provided are based on age, years of service, and compensation. The System's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974.

The System also sponsors contributory 403(b) plans and 401(k) plans covering substantially all employees. Employer contributions for certain 403(b), made to a matching 401(a) plan, and 401(k) plans are determined based on employee contributions and years of service. The System contributed approximately $34.5 million and $29.2 million for the years ended September 30, 2013 and 2012, respectively.

YNHNC maintains a Section 457 non-qualified deferred compensation plan. Contributions are made on a pre-tax basis. The balances recorded at September 30, 2013 and 2012, in other assets and other long-term liabilities were approximately $27.3 million and $21.7 million, respectively.

On June 30, 2006, Bridgeport Hospital and certain other affiliates of BHHS froze their defined benefit plan. On October 1, 2006, Bridgeport Hospital and certain other affiliates of BHHS instituted a defined contribution plan.

9. Pensions and Postretirement Benefits (continued)

Effective as of December 31, 2006, Greenwich Hospital amended its defined benefit pension plan to freeze benefits for employees who were under age 50 with less than five years of service. Effective January 1, 2007, Greenwich Hospital began providing a matching contribution and a length of service contribution, in addition to its incentive contribution, for its defined contribution plan for all employees no longer accruing benefits under the defined benefit plan. Employees who were age 50 or older with five years of service continue to accumulate benefits under the defined benefit plan, and do not participate in the defined contribution plan.

Effective September 30, 2013, the Y-NHH qualified defined benefit pension plan and the 401(a) plan were amended to reduce the percentage of compensation contributed by Y-NHH to the qualified defined benefit pension plan and to increase the percentage of compensation contributed by Y-NHH to the 401(a) plan for the plan years commencing after December 1, 2013. The amendment to the qualified defined benefit pension plan resulted in a decrease to the projected benefit obligation at September 30, 2013 of approximately $23.9 million.

YNHNC and GHCS also provide certain health care and life insurance benefits upon retirement to substantially all their employees. YNHNC's and GHCS's policy is to fund these annual costs as they are incurred from the general assets of YNHNC and GHCS. The estimated cost of these postretirement benefits is actuarially determined, and accrued over the employees' service periods.

Included in unrestricted net assets at September 30, 2013 and 2012, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of approximately $23.8 million and $0.1 million, respectively, and unrecognized actuarial losses of approximately $234.1 million and $354.2 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2014, are approximately $1.9 million and $12.3 million, respectively.

9. Pensions and Postretirement Benefits (continued)

The following table sets forth the change in benefit obligations, change in the plans' assets, and the reconciliation of underfunded status of the System's defined benefit plans as of September 30, 2013 and 2012 (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2013	2012	2013	2012
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 868,077	$ 739,038	$ 79,630	$ 63,687
Service cost	39,116	25,048	5,080	3,442
Interest cost	32,096	35,630	3,135	3,183
Plan amendments	(23,836)	-	-	-
Actuarial (gain) loss	(77,027)	104,724	(18,428)	10,588
Benefits paid	(33,708)	(36,363)	(1,513)	(1,270)
Benefit obligation at current measurement date	804,718	868,077	67,904	79,630
Change in plans' assets:				
Fair value of assets at prior measurement date	543,351	455,016	-	-
Actual return on plans' assets	46,013	59,434	-	-
Employer contributions	50,059	65,264	1,513	1,270
Benefits paid	(33,708)	(36,363)	(1,513)	(1,270)
Fair value of plans' assets at current measurement date	605,715	543,351	-	-
Accrued benefit cost	$ (199,003)	$ (324,726)	$ (67,904)	$ (79,630)

9. Pensions and Postretirement Benefits (continued)

The accrued benefit cost included in the consolidated balance sheets includes the following (in thousands):

	Accrued Pension and Postretirement Obligations		Fair Value of Plans' Assets	
	2013	2012	2013	2012
YNHNC and Subsidiaries - accrued pension and postretirement obligations	$ (200,082)	$ (283,151)	$ 313,730	$ 271,952
Bridgeport Hospital - accrued pension and postretirement obligations	(42,945)	(67,041)	136,660	132,485
Greenwich Hospital - accrued pension and postretirement obligations	(23,880)	(54,164)	155,325	138,914
	$ (266,907)	$ (404,356)	$ 605,715	$ 543,351

Benefit Obligation and Assumptions

The projected benefit obligation, accumulated benefit obligation, and fair value of the plans' assets were as follows (in thousands):

	September 30	
	2013	2012
Projected benefit obligation	$ (804,718)	$ (868,077)
Accumulated benefit obligation	(732,493)	(782,254)
Fair value of plans' assets	605,715	543,351

9. Pensions and Postretirement Benefits (continued)

As of September 30, 2013 and 2012, the underfunded status of the qualified defined benefit pension plans was approximately $154.7 million and $275.3 million, respectively, and that of the non-qualified defined benefit pension plan was approximately $44.3 million and $49.4 million, respectively. Additionally, there are assets limited as to use of approximately $69.4 million and $64.7 million, which are available to satisfy the obligations of the non-qualified defined benefit pension plan at September 30, 2013 and 2012, respectively.

The net periodic benefit cost for the years ended September 30, 2013 and 2012, is as follows (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2013	2012	2013	2012
Service cost	$ 39,116	$ 25,048	$ 5,080	$ 3,442
Interest cost	32,096	35,630	3,135	3,183
Expected return on plan assets	(42,347)	(40,611)	–	–
Amortization of prior service cost	(287)	(456)	85	259
Recognized net actuarial loss	20,333	10,011	703	–
Net periodic benefit cost	$ 48,911	$ 29,622	$ 9,003	$ 6,884

Weighted-average assumptions used to determine benefit obligations at September 30, 2013 and 2012, are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2013	2012	2013	2012
Discount rate for determining benefit obligations at year-end, qualified plan	4.8-4.9%	3.6% – 4.0%	4.9%	4.0%
Discount rate for determining benefit obligations at year-end, non-qualified plan	4.9%	4.0%	–	–
Rate of compensation increase	3.5-5.0%	3.5% - 5.0%	–	–

9. Pensions and Postretirement Benefits (continued)

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2013 and 2012 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2013	**2012**	**2013**	**2012**
Discount rate for determining net periodic benefit cost at year-end, qualified plan	**3.6-4.0%**	4.8 – 5.2%	**4.0%**	5.1%
Discount rate for determining net periodic benefit cost at year-end, non-qualified plan	**4.0%**	5.1%	–	–
Expected rate of return on plan assets	**6.75-7.75**	6.75 – 7.75	–	–
Rate of compensation increase	**3.5-5.0%**	3.25% – 5.0%	–	–

For measurement purposes relating to the postretirement benefits plan, a 6.0% and 7.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2013 and fiscal 2012, respectively. Rates are assumed to decline to 4.0% through fiscal 2014.

Assumed health care cost trend rate assumptions have a significant effect on the amounts reported. A 1% change in the assumed health care cost trend rate would have the following effects (in thousands):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 9	$ (11)
Effect on postretirement benefit obligations	162	(153)

9. Pensions and Postretirement Benefits (continued)

The asset allocation of the System's pension plans at September 30, 2013 and 2012, on a combined basis, was as follows:

Asset Category	Target Allocation 2014	Percentage of Assets 2013	2012
Equity securities	35-90%	44%	39%
Debt securities	10-40%	26	34
Real assets	0-26%	18	17
All other assets	0-22%	12	10
		100%	100%

Financial assets carried at fair value, as of September 30, 2013, are classified in the following tables (see Note 15 for description) (in thousands):

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 14,883	$ –	$ –	$ 14,883
U.S. equity securities	109,945	23,664	–	133,609
International equity securities	93,715	38,332	–	132,047
Fixed income:				
U.S. government	68,129	–	–	68,129
Corporate debt	52,207	–	–	52,207
International government	25,146	8,297	–	33,443
Commodities	13,396	–	10,718	24,114
Private equity	–	–	10,986	10,986
Hedge funds:				
Absolute return	–	18,452	14,990	33,442
Multi strategy/other	–	44,905	10,505	55,410
Long/short equity	–	26,034	–	26,034
Real estate	3,348	–	18,063	21,411
Total investments	$ 380,769	$ 159,684	$ 65,262	$ 605,715

9. Pensions and Postretirement Benefits (continued)

Financial assets carried at fair value, as of September 30, 2012, are classified in the following tables (see Note 15 for description) (in thousands):

	September 30, 2012			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 24,762	$ –	$ –	$ 24,762
U.S. equity securities	91,135	22,026	–	113,161
International equity securities	71,278	30,433	–	101,711
Fixed income:				
U.S. government	81,585	–	–	81,585
Corporate debt	63,858	–	–	63,858
International government	23,260	6,425	–	29,685
Commodities	8,079	–	10,707	18,786
Private equity	–	–	8,828	8,828
Hedge funds:				
Multi strategy/other	–	–	8,689	8,689
Absolute return	–	48,288	10,579	58,867
Long/short equity	–	16,635	–	16,635
Real estate	–	–	16,784	16,784
Total investments	$ 363,957	$ 123,807	$ 55,587	$ 543,351

The following is a rollforward of the pension assets classified as Level 3 of the valuation hierarchy as described in Note 15 (in thousands):

	Commodities	Private Equity	Real Estate	Hedge Funds	Total
Fair value at September 30, 2011	$ 9,982	$ 7,775	$ 15,627	$ 16,653	$ 50,037
2012 Realized and unrealized gains and losses	361	1,199	183	4,099	5,842
2012 Purchases	897	(99)	2,078	8,500	11,376
2012 Sales	(533)	(47)	(1,104)	(9,984)	(11,668)
Fair value at September 30, 2012	10,707	8,828	16,784	19,268	55,587
2013 Realized and unrealized gains and losses	(249)	1,612	1,058	1,801	4,222
2013 Purchases	748	938	2,334	8,150	12,170
2013 Sales	(488)	(392)	(2,113)	(3,724)	(6,717)
Fair value at September 30, 2013	$ 10,718	$ 10,986	$ 18,063	$ 25,495	$ 65,262

9. Pensions and Postretirement Benefits (continued)

The System's investment strategy for its pension assets balances the liquidity needs of the pension plans with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocation of the investment pool to various sectors of the markets is designed to reduce volatility in the portfolio.

The System's pension portfolios return assumption of 7.75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

The future cash flows of the System relative to retirement benefits are expected to be as follows (in thousands):

	Defined Benefit Pension Plans	Postretirement Benefit Plan
Estimated benefit payments related to years ending September 30:		
2014	$ 38,437	$ 2,349
2015	41,636	2,540
2016	43,298	2,762
2017	46,270	3,047
2018	49,622	3,377
2019 to 2023	292,475	22,967

The System expects to make contributions of approximately $43.8 million for pension benefits and $2.2 million for postretirement benefits in fiscal 2014.

10. Professional Liability Insurance

In 1978, Y-NHH and a number of other academic medical centers formed The Medical Centre Insurance Company Ltd. (the Captive) to insure for professional and comprehensive general liability risks. In 1997, the Captive formed MCIC Vermont, Inc. (MCIC) to write direct insurance for the professional and general liability risks of the shareholders. Since 1997, the Captive has acted as a reinsurer for varying levels of per claim limit exposure. MCIC has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage, and are actuarially determined based on actual experience of the System, the Captive, and MCIC.

Y-NHH controls less than 20% of the Class A stock of MCIC; however, for accounting purposes the investment in the insurance companies is recorded on the equity method because of contractual agreements.

The System entities participate in the Y-NHH insurance program as additional insureds. All System entities initially pay premiums to Y-NHHSC. Y-NHHSC generally assumes the responsibility for ensuring that all the System members pay all premiums owed by them to MCIC. Y-NHHSC manages MCIC's operations for all other System members.

MCIC's policy is to establish retrospective-related premiums for its shareholders equivalent to estimated losses and general and administrative expenses, less estimated investment income, so that its results of operations are breakeven each year. The System accrues premiums as incurred.

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $182.3 million and $155.5 million at September 30, 2013 and 2012, respectively for the System. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $53.4 million and $49.8 million for the System at September 30, 2013 and 2012, respectively, and is included in professional insurance liabilities in the accompanying consolidated balance sheets at the actuarially determined present value of approximately $47.8 million and $46.1 million, respectively, based on a discount rate of 2.5% and 3.0% for the years ended September 30, 2013 and 2012, respectively.

10. Professional Liability Insurance (continued)

The System has recorded related insurance recoveries receivable of approximately $134.5 million and $109.4 million at September 30, 2013 and 2012, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

Lukan, the Y-NHH sponsored professional liability program, continues to manage all incidents and claims reported to Lukan prior to the acquisition of SRHS, as well as extending professional liability coverage for post acquisition risks to certain affiliated community clinicians.

Prior to the acquisition of SRHS, Caritas provided excess professional liability and general liability insurance to SRHS and their employed clinicians. Caritas continues to manage all incidents and claims reported prior to the acquisition of SRHS.

Caritas and Lukan have recorded the undiscounted estimate for incidents that have been incurred but not reported of approximately $38.7 million and $36.6 million at September 30, 2013 and 2012, respectively, and are included in professional liabilities in the accompanying consolidated statements of financial position.

The System's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the System and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

11. Commitments and Contingencies

Leases

The System leases various equipment and properties under several non-cancelable operating leases that range in terms. The System is responsible for operating expenses, as defined, during the lease terms. Future minimum lease payments under these leases are as follows (in thousands):

2014	$ 27,391
2015	21,839
2016	20,218
2017	16,574
2018	11,684
Thereafter	102,870
	$ 200,576

The System incurred rent expense under these leases of approximately $35.1 million and $27.0 million for the years ended September 30, 2013 and 2012, respectively.

Cancer Hospital

Y-NHH has a shared facilities and services agreement with in connection with the Cancer Hospital which is recorded as deferred revenue. Deferred revenue, from this agreement, at September 30, 2013 and 2012, was $45.2 million and $46.6 million, respectively.

Litigation

Various lawsuits and claims arising in the normal course of operations are pending, or are in progress against the System. Such lawsuits and claims are either specifically covered by insurance as explained in Note 11, or are deemed immaterial. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or changes in net assets of the System.

11. Commitments and Contingencies (continued)

The System has received requests for information from certain governmental agencies relating to, among other things, patient billings. These requests cover several prior years relating to compliance with certain laws and regulations. Management is cooperating with those governmental agencies in their information requests and ongoing investigations. The ultimate results of those investigations, including the impact on the System, cannot be determined at this time.

12. Functional Expenses

The System provides general acute health care services to residents within its geographic areas. Net expenses related to providing these services are as follows (in thousands):

	Year Ended September 30	
	2013	**2012**
Health care services	**$ 2,691,443**	$ 2,031,370
General and administrative	**452,729**	394,803
	$ 3,144,172	$ 2,426,173

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30 2013	2012
Cafeteria and vending	$ 13,758	$ 10,926
Contributions	3,924	2,960
Parking income	7,954	5,496
Net assets released from restrictions for operations	12,789	11,696
Net assets released from restrictions for free care	779	889
Net assets released from restrictions for medical research and clinical programs	9,498	12,804
Grants	19,346	19,932
Rental income	3,694	3,545
Electronic health records incentive payment	10,659	6,417
Pediatric ancillary services	9,569	5,901
Investment income	311	4,464
Foundation distributed income	2,400	2,472
Other	23,891	17,399
	$ 118,572	$ 104,901

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2012 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

13. Other Revenue (continued)

The System uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the System is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. Medicare EHR incentive payment revenue was approximately $8.0 million and $2.0 million for the years ended September 30, 2013 and 2012, respectively, and Medicaid EHR incentive payment revenue was approximately $2.7 million $4.4 million, respectively, for the years ended September 30, 2013 and 2012. EHR incentive payment revenue is included in other revenue in the accompanying consolidated statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the System's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands).

	Year Ended September 30	
	2013	**2012**
Income from investments, donations and other, net	**$ (5,046)**	$ (12,909)
Change in unrealized gains and losses on investments	**58,607**	54,506
Change in fair value of swap, including counterparty payments	**17,597**	(14,323)
Acquisition costs related to Saint Raphael Healthcare System	**(196)**	(22,103)
FICA Tax Refund	**(127)**	4,920
	$ 70,835	$ 10,091

15. Fair Values of Financial Instruments

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers non-performance risk in the overall assessment of fair value.

15. Fair Values of Financial Instruments (continued)

ASC No. 820-10 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

Financial assets and liabilities carried at fair value as of September 30, 2013 and 2012, are classified in the following tables in one of the three categories described above (in thousands):

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 130,847	$ –	$ –	$ 130,847
Money market funds	205,455	–	–	205,455
U.S. equity securities	68,466	–	–	68,466
International equity securities	72,842	–	–	72,842
Fixed income:				
U.S. government	103,888	–	–	103,888
Corporate bonds	20,562	–	–	20,562
Mortgage backed securities	44	–	–	44
International government	43,605	28,501	–	72,106
Beneficial interest in remainder trust	1,832	–	–	1,832
Commodities	691	–	–	691
Real estate	725	–	–	725
Interest in Yale University endowment pool	–	–	568,062	568,062
Investments at fair value	$ 648,957	$ 28,501	$ 568,062	1,245,520
Common collective trusts				118,197
Alternative investments				93,049
Perpetual trusts				12,538
Investments not at fair value				223,784
Total investments				$ 1,469,304
Liabilities:				
Interest rate swaps	$ –	$ (26,489)	$ –	$ (26,489)

15. Fair Values of Financial Instruments (continued)

	September 30, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 106,653	$ –	$ –	$ 106,653
Money market funds	242,850	–	–	242,850
U.S. equity securities	49,580	–	–	49,580
International equity securities	47,153	–	–	47,153
Fixed income:		–	–	
U.S. government	119,404	–	–	119,404
Corporate bonds	19,786	–	–	19,786
Mortgage backed securities	250	–	–	250
International government	31,246	20,496	–	51,742
Beneficial interest in remainder trust	1,641	–	–	1,641
Commodities	769	–	–	769
Real estate	622	–	–	622
Interest in Yale University endowment pool	–	–	408,438	408,438
Investments at fair value	$ 619,954	$ 20,496	$ 408,438	1,048,888
Common collective trusts				116,819
Alternative investments				141,055
Perpetual trusts				12,127
Investments not at fair value				270,001
Total investments				$ 1,318,889
Liabilities:				
Interest rate swaps	$ –	$ (45,686)	$ –	$ (45,686)

The amounts reported in the tables as detailed above do not include assets invested in the System's defined benefit pension plan. In addition, included in the tables above at September 30, 2013 and 2012, are investments in common collective trusts totaling approximately $118.2 million and $116.8 million, respectively, other alternative investments totaling approximately $93.0 million and $141.1 million, respectively, and other perpetual trusts totaling approximately $12.5 million and $12.1 million that are accounted for under the equity method of accounting (see Note 1). The beneficial interest in remainder trust listed in the above tables are included in other assets. The interest rate swaps listed above are classified in the accompanying balance sheet as "other long-term liabilities" at September 30, 2013 and 2012.

15. Fair Values of Financial Instruments (continued)

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy:

Interest in Yale University Endowment Pool	
Fair value at September 30, 2011	$ 317,680
2012 unrealized gains and losses	57,633
2012 sales	(16,875)
2012 purchases	50,000
Fair value at September 30, 2012	408,438
2013 unrealized gains and losses	**59,624**
2013 Purchases	**100,000**
Fair value at September 30, 2013	**$ 568,062**

The following is a summary of total investments as of September 30, 2013, with restrictions to redeem the investments at the measurement date, any unfunded capital commitments and investment strategies of the investees (in thousands):

Description of Investment	Carrying Value	Unfunded Commitments	Redemption Frequency	Notice Period	Funds Availability
Private equity	$ 7,227	$ 1,218	N/A	N/A	N/A
Global equity	7,097	-	30 days	3 years	N/A
Hedge funds:					
Absolute return	2,745	-	N/A	N/A	N/A
Real estate	9,590	3,231	N/A	N/A	N/A
Commodities	396	-	N/A	N/A	N/A

The fair value of long-term debt was approximately $770.1 million and $832.6 million at September 30, 2013 and 2012, respectively. The fair value of the capital leases was approximately $55.5 million and $117.7 million at September 30, 2013 and 2012, respectively.

16. Medical Residents FICA Tax Refund

In March 2010, the Internal Revenue Service (IRS) announced that, for periods ending before April 1, 2005, medical residents would be eligible for student exception of Federal Insurance Contributions Act (FICA) taxes. Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college, or university where the student is pursuing a course of study. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. Institutions are potentially eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest. For the year ended September 30, 2013, Y-NHH recorded estimated net revenue of $4.9 million in non-operating gains and losses, related to FICA medical resident refunds claims that have met the IRS refund requirements. At September 30, 2012, Y-NHH recorded a net receivable of approximately $18.2 million included in other assets and a payable of approximately $13.8 million included in other long-term liabilities at September 30, 2012. Y-NHH collected approximately $18.1 million and paid approximately $13.8 million in 2013. Y-NHH has established its estimate based on information presently available and this estimate is subject to change as the IRS adjudicates the claims.

17. Subsequent Events

Subsequent events have been evaluated through December 23, 2013, which is the date the financial statements were available to be issued. No events have occurred, except those disclosed below, that require disclosure or adjustment of the financial statements.

In November 2013, Bridgeport Hospital entered into an arrangement with a developer to construct a 120,000 square foot medical office building and adjacent garage in Fairfield County, CT. The arrangement contains provisions for Bridgeport Hospital to begin leasing the property for a 25-year period beginning November, 2015. Management has evaluated the terms of the arrangement and anticipates the project will be recorded as a capital lease. Upon completion, management estimates the capital lease obligation will be approximately $102 million.

On October 11, 2013, Y-NHH acquired all of the business, assets, and operations, of the Saint Raphael Magnetic Resonance Partnership ("SRMP"). SRMP provides radiology services to patients in the New Haven area. Fifty percent of the interest in SRMP was acquired from an unrelated third party for $3.9 million and the remaining 50% will be transferred to Y-NHH from ASC, who acquired a 50% interest in SRMP on September 12, 2012 as part of the SRHS acquisition described in Note 1.

Supplementary Information

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Report of Independent Auditors on Supplementary Information

Board of Directors
Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Yale New Haven Health System and Subsidiaries as of and for the years ended September 30, 2013 and 2012, and have issued an unmodified report thereon dated December 23, 2013. The accompanying consolidating balance sheets and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

Ernst & Young LLP

December 23, 2013

A member firm of Ernst & Young Global Limited

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Balance Sheet

September 30, 2013

	Yale New Haven Health Services Corporation	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Assets								
Current assets								
Cash and cash equivalents	$ 13,104	$ 11,005	$ 221	$ 46,312	$ 30,636	$ 29,569	$ -	$ 130,847
Short-term investments:	7,146	-	-	709,453	64,307	36,063	-	816,969
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity, and free care	-	7,360	-	238,901	51,432	37,281	-	334,974
Professional liabilities insurance recoveries receivable – current portion	-	-	-	21,142	10,552	6,570	-	38,264
Other current assets	98,220	2,761	147	111,727	17,755	15,029	(157,728)	87,911
Amounts on deposit with trustee in debt service fund	-	-	-	7,176	-	-	-	7,176
Total current assets	118,470	21,126	368	1,134,711	174,682	124,512	(157,728)	1,416,141
Assets limited as to use	-	-	-	84,095	-	90,376	-	174,471
Long-term investments	11,181	-	-	214,382	53,099	59,347	-	338,009
Deferred financing costs, less accumulated amortization	-	-	-	8,079	-	440	-	8,519
Professional liabilities insurance recoveries receivable – non-current	-	-	-	60,199	22,167	13,962	-	96,328
Goodwill	-	267	-	38,955	17,217	-	-	56,439
Other assets	70,924	3,325	-	186,969	31,885	15,344	(130,898)	177,549
Property, plant, and equipment, net	216,675	1,367	-	930,101	124,347	261,335	-	1,533,825
Construction in progress	785	-	-	23,639	19,477	153	-	44,054
	217,460	1,367	-	953,740	143,824	261,488	-	1,577,879
Total assets	$ 418,035	$ 26,085	$ 368	$ 2,681,130	$ 442,874	$ 565,469	$ (288,626)	$ 3,845,335

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Balance Sheet (continued)

September 30, 2013

	Yale New Haven Health Services Corporation	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
Liabilities								
Current liabilities:								
Accounts payable and accrued expenses	$ 98,895	$ 22,193	$ 76	$ 327,316	$ 64,240	$ 30,047	$ (68,667)	$ 474,100
Current portion of long-term debt	-	-	-	11,070	32,205	2,505	-	45,780
Current portion of capital lease obligation	-	-	-	2,598	-	-	-	2,598
Professional liabilities - current portion	-	-	-	21,142	10,552	6,570	-	38,264
Other current liabilities	-	1,323	-	15,488	5,306	14,047	-	36,164
Total current liabilities	98,895	23,516	76	377,614	112,303	53,169	(68,667)	596,906
Long-term debt, net of current portion	-	-	-	677,492	49,107	37,710	-	764,309
Long-term capital lease obligations, net of current portion	-	-	-	53,801	95	-	-	53,896
Accrued pension and postretirement benefit obligations	9,481	-	-	197,950	42,945	23,880	(9,481)	264,775
Professional liabilities	-	-	-	128,720	34,291	19,717	-	182,728
Other long-term liabilities	214,906	-	-	169,893	31,022	20,062	(210,478)	225,405
Deferred revenue	-	-	-	47,297	-	-	-	47,297
Total liabilities	323,282	23,516	76	1,652,767	269,763	154,538	(288,626)	2,135,316
Net assets								
Unrestricted	$ 94,753	$ 2,569	$ 292	$ 941,226	$ 120,290	$ 352,152	$ -	$ 1,511,282
Temporarily restricted	-	-	-	59,982	32,033	36,543	-	128,558
Permanently restricted	-	-	-	27,155	20,788	22,236	-	70,179
Total net assets	94,753	2,569	292	1,028,363	173,111	410,931	-	1,710,019
Total liabilities and net assets	$ 418,035	$26,085	$ 368	$ 2,681,130	$ 442,874	$ 565,469	$ (288,626)	$ 3,845,335

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30, 2013

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Operating revenue:								
Net patient service revenue	$ -	$ 100,083	$ -	$ 2,382,965	$ 433,811	$ 343,529	$ -	$ 3,260,388
Less: Provision for bad debt	-	(3,354)	-	(65,535)	(14,984)	(14,733)	-	(98,606)
Net patient service revenue	-	96,729	-	2,317,430	418,827	328,796	-	3,161,782
Other revenue	390,833	67,191	-	60,720	26,208	13,960	(440,340)	118,572
Total operating revenue	390,833	163,920	-	2,378,150	445,035	342,756	(440,340)	3,280,354
Operating expenses:								
Salaries and benefits	172,669	126,371	-	1,041,586	195,993	152,763	11,983	1,701,365
Supplies and other expenses	142,301	65,605	1,296	1,087,176	204,231	151,624	(423,073)	1,229,160
Depreciation and amortization	30,692	2,414	-	109,616	22,858	22,533	(23,860)	164,253
Insurance	40,374	7,101	-	16,811	1,028	(346)	(41,961)	23,007
Interest	-	-	-	24,246	1,665	476	-	26,387
Total operating expenses	386,036	201,491	1,296	2,279,435	425,775	327,050	(476,911)	3,144,172
Income (loss) from operations	4,797	(37,571)	(1,296)	98,715	19,260	15,706	36,571	136,182
Non-operating gain (loss), net.	30,223	-	(1)	69,945	3,969	3,270	(36,571)	70,835
Excess (deficiency) of revenue over expenses	35,020	(37,571)	(1,297)	168,660	23,229	18,976	-	207,017

(Continued on following page).

Yale-New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2013

	Yale New Haven Health Services Corporation and Subsidiaries	NEMG	Y-NHH-MSO, Inc.	YNH Network Corporation and Subsidiaries	Bridgeport Hospital & Healthcare Services, Inc. and Subsidiaries	Greenwich Health Care Services, Inc. and Subsidiaries	Eliminations	Total
				(In Thousands)				
Unrestricted net assets:								
(Deficiency) excess of revenue over expenses (continued)	$ 35,020	$ (37,571)	$ (1,297)	$ 168,660	$ 23,229	$ 18,976	$ -	$ 207,017
Other changes in net assets	-	-	-	329	444	(949)	-	(176)
Transfer to Yale-New Haven Health Services Corporation – Clinical Development Fund	6,000	-	-	(6,000)	-	-	-	-
Transfer from Yale-New Haven Health Services Corporation	(42,071)	37,571	-	2,900	900	700	-	-
Net assets released from restrictions for purchases of fixed assets	-	-	-	152	879	9	-	1,040
Contributed property no longer restricted								
Pension and other postretirement liability adjustments	-	-	-	88,656	22,810	32,327	-	143,793
Increase (decrease) in unrestricted net assets	(1,051)	-	(1,297)	254,697	48,262	51,063	-	351,674
Temporarily restricted net assets:								
Income from investments	-	-	-	241	-	-	-	241
Net realized and unrealized gains and losses on investments	-	-	-	6,189	3,372	5,992	-	15,553
Bequests and contributions	-	-	-	20,777	6,138	4,187	-	31,102
Net assets released from restrictions for purchases of fixed assets	-	-	-	(152)	(879)	(9)	-	(1,040)
Net assets released from restrictions for operations	-	-	-	(2,822)	(6,346)	(3,621)	-	(12,789)
Net assets released from restrictions for clinical programs	-	-		(10,277)	-	-	-	(10,277)
Net assets released from restrictions used for non-operating activities	-	-	-	-	-	(5)	-	(5)
Contributed property no longer restricted	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	916	-	-	916
Increase (decrease) in temporarily restricted net assets	-	-	-	13,956	3,201	6,544	-	23,701
Permanently restricted net assets:								
Bequests, contributions, and grants	-	-	-	-	916	125	-	1,041
Net realized and unrealized gains and losses on investments	-	-	-	-	-	322	-	322
Changes in beneficial interest in perpetual trusts	-	-	-	411	-	-	-	411
Increase (decrease) in permanently restricted net assets	-	-	-	411	916	447	-	1,774
Increase (decrease) in net assets	(1,051)	-	(1,297)	269,064	52,379	58,054	-	377,149
Net assets at beginning of year	95,804	2,569	1,589	759,299	120,732	352,877	-	1,332,870
Net assets at end of year	$ 94,753	$ 2,569	$ 292	$ 1,028,363	$ 173,111	$ 410,931	$ -	$ 1,710,019

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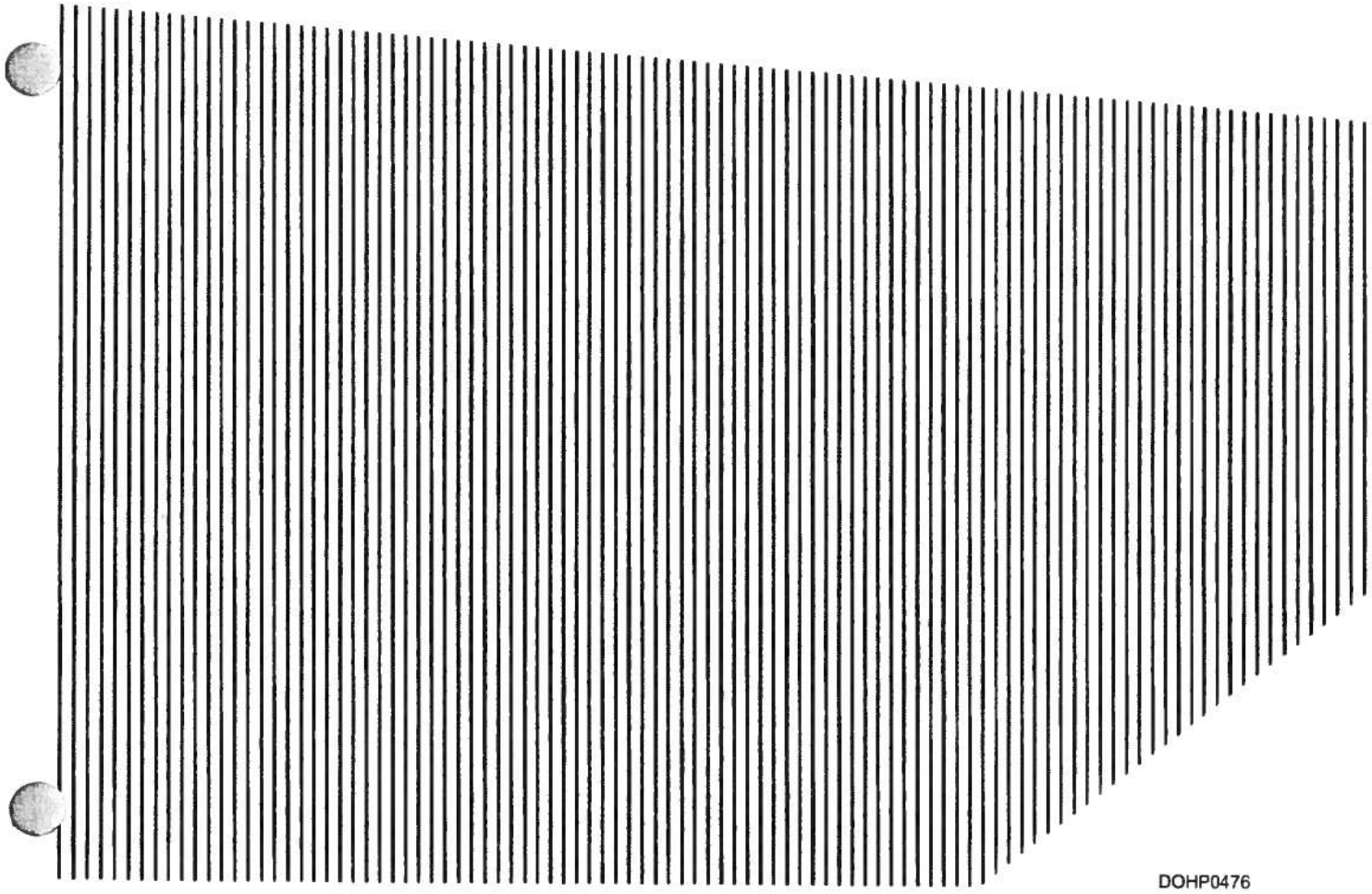

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L+M Financials

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2014 and 2013

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2014 and 2013

	Page(s)
Report of Independent Auditors	1–2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–26
Consolidating Supplemental Information	
Consolidating Balance Sheets	27–30
Consolidating Statements of Operations	31–32

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and
Supplemental Information
September 30, 2015 and 2014

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2015 and 2014

	Page(s)
Independent Auditor's Report	1–2
Consolidated Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7–25
Consolidating Supplemental Information	
Balance Sheets	26–29
Statements of Operations	30–31

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Independent Auditor's Report

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $22,024,179 and $20,659,633 as of September 30, 2015 and September 30, 2014, respectively, and total revenues of $16,957,535 and $16,156,841 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2015 and September 30, 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets of the individual organizations.

PricewaterhouseCoopers LLP

January 5, 2016

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 24,264,612	$ 16,480,529
Investments	162,278,643	184,426,039
Patient accounts receivable, net of allowance for doubtful accounts of $14,427,346 and $10,334,227, respectively	50,471,594	47,482,954
Other receivables	6,075,280	5,792,415
Inventories	8,154,843	8,393,007
Prepaid expenses and other current assets	3,810,426	3,748,725
Debt service fund	1,304,613	1,304,562
Total current assets	256,360,011	267,628,231
Assets limited as to use		
Cash	183,677	182,862
Construction fund	-	561,676
Investments held in trust	926,080	925,227
Endowment investments	35,458,701	36,641,428
Funds held in trust by others	7,633,141	11,348,610
Contributions receivable	2,916,786	3,520,787
Total assets limited as to use	47,118,385	53,180,590
Intangible assets, net	2,604,375	2,978,625
Other receivables	2,818,554	2,580,786
Deferred financing costs and other assets, net	2,187,006	2,315,752
Property, plant and equipment, net	196,288,742	206,850,299
	$ 507,377,073	$ 535,534,283
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 37,172,933	$ 36,357,188
Accrued vacation and sick pay	13,689,948	14,223,728
Salaries, wages, payroll taxes and amounts withheld from employees	9,618,789	10,671,516
Due to third party payors	8,175,846	7,257,949
Other current liabilities	555,581	582,553
Current portion of long-term debt	5,495,740	5,476,980
Total current liabilities	74,808,837	74,569,914
Accrued pension and other postretirement benefits	53,468,405	43,588,661
Other liabilities	31,629,767	26,410,901
Long-term debt less current portion	102,938,747	108,587,802
Total liabilities	262,845,756	253,157,278
Net assets		
Unrestricted	208,910,764	241,902,500
Temporarily restricted	20,286,597	24,770,687
Permanently restricted	15,333,956	15,703,818
Total net assets	244,531,317	282,377,005
	$ 507,377,073	$ 535,534,283

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2015 and 2014

	2015	2014
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 455,465,769	$ 453,529,100
Provision for bad debt	(16,683,423)	(20,298,386)
Net revenue less provision for bad debt	438,782,346	433,230,714
Other operating revenues	16,375,817	20,795,287
Net assets released from restriction used for operations	4,831,645	876,203
Total unrestricted revenues, gains and other support	459,989,808	454,902,204
Operating expenses		
Salaries and wages	212,124,691	213,467,507
Employee benefits	59,040,657	59,185,837
Supplies	76,774,253	71,998,110
Purchased services	39,607,243	54,475,011
Other	50,232,174	43,427,170
Interest	3,553,690	3,554,919
Depreciation and amortization	28,953,704	27,479,122
Total expenses	470,286,412	473,587,676
Loss from operations	(10,296,604)	(18,685,472)
Nonoperating gains		
Unrestricted investment income	228,240	180,488
Nonoperating expenses	(1,527,184)	-
Income from investments and realized gains	13,131,917	9,832,164
Inherent contribution received from purchase of Westerly Hospital	-	5,284,752
Total nonoperating gains	11,832,973	15,297,404
Excess (deficit) of revenues over expenses	1,536,369	(3,388,068)
Net unrealized (losses) gains on investments	(20,907,128)	2,028,088
Net assets released from restrictions used for purchase of property, plant and equipment	140,748	1,006,500
Donated equipment	-	6,350
Pension related changes other than periodic pension costs	(13,761,725)	(4,281,516)
Decrease in unrestricted net assets	$ (32,991,736)	$ (4,628,646)

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2015 and 2014

	2015	2014
Unrestricted net assets		
Excess (deficit) of revenues over expenses	$ 1,536,369	$ (3,388,068)
Net unrealized (losses) gains on investments	(20,907,128)	2,028,088
Net assets released from restrictions used for purchase of property, plant and equipment	140,748	1,006,500
Donated equipment	-	6,350
Pension related changes other than periodic pension costs	(13,761,725)	(4,281,516)
Decrease in unrestricted net assets	(32,991,736)	(4,628,646)
Beginning of year unrestricted net assets	241,902,500	246,531,146
End of year unrestricted net assets	$ 208,910,764	$ 241,902,500
Temporarily restricted net assets		
Income from investments	$ 549,250	$ 677,343
Net assets released from restrictions	(4,972,392)	(1,882,704)
Contributions received	474,954	421,640
Change in value of funds held in trust by others	683,868	111,315
Net realized and unrealized (losses) gains on investments	(1,219,770)	1,288,111
(Decrease) increase in temporarily restricted net assets	(4,484,090)	615,705
Temporarily restricted net assets		
Beginning of year	24,770,687	24,154,982
End of year	$ 20,286,597	$ 24,770,687
Permanently restricted net assets		
Income from investments	$ 17,103	$ 20,569
Contributions received	77,827	80,074
Change in value of funds held in trust by others	(398,351)	280,866
Net realized and unrealized (losses) gains on investments	(66,441)	32,831
(Decrease) increase in permanently restricted net assets	(369,862)	414,340
Permanently restricted net assets		
Beginning of year	15,703,818	15,289,478
End of year	15,333,956	15,703,818
Decrease in net assets	$ (37,845,688)	$ (3,598,601)

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	$ (37,845,688)	$ (3,598,601)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	28,953,704	27,479,122
Net unrealized and realized losses (gains) on investments	23,070,838	(2,963,155)
Inherent contribution received from purchase of Westerly Hospital	-	(4,940,302)
Provision for bad debts	16,683,423	20,298,386
Decrease (increase) in funds held in trust by others	3,715,469	(392,181)
Decrease in contributions receivable	604,001	(817,794)
Restricted contributions	(1,024,204)	(1,164,969)
Changes in other operating accounts		
Patient accounts receivable, net	(19,672,063)	(20,461,592)
Other receivables, net	(520,633)	(504,322)
Inventories	238,164	(891,853)
Prepaid expenses and other current assets	(61,701)	(191,218)
Deferred financing costs and other assets	128,746	(539,576)
Accounts payable	57,356	(3,713,678)
Accrued vacation and sick pay	(533,780)	1,643,021
Salaries, wages, payroll taxes and amounts withheld from employees	(1,052,727)	569,862
Due to third party payors	917,897	1,386,968
Amortization on Intangibles	374,250	-
Pension, postretirement and other liabilities	15,171,638	5,674,664
Net cash provided by operating activities	29,204,690	16,872,782
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(17,633,758)	(25,715,324)
Purchases of investments	(61,391,317)	(70,459,536)
Sales of investments	62,210,610	77,121,334
Decrease in debt service fund	(51)	1,693
Decrease in funds held in escrow	-	2,247,255
Net cash used in investing activities	(16,814,516)	(16,804,578)
Cash flows from financing activities		
Restricted contributions	1,024,204	1,164,969
Principal payments of long term debt	(5,630,295)	(28,364,994)
Proceeds of long term debt	-	32,080,103
Net cash (used in) provided by financing activities	(4,606,091)	4,880,078
Net increase in cash and cash equivalents	7,784,083	4,948,282
Cash and cash equivalents		
Beginning of year	16,480,529	11,532,247
End of year	$ 24,264,612	$ 16,480,529
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 914,729	$ 1,673,118
Contributed securities	1,024,204	1,164,969

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

Yale New Haven Health System Affiliation

On July 17, 2015, the Corporation and Yale New Haven Health System ("YNHHS") announced they have approved a definitive agreement to affiliate, pending regulatory approvals. The definitive agreement, approved by both Boards of Directors, is based on the mutual belief that an affiliation would enhance healthcare quality, access and efficiency. Under the agreement, the Corporation will become a corporate member of YNHHS, joining Bridgeport, Greenwich and Yale-New Haven Hospitals as a full member of YNHHS. The affiliation will require review and approval by Connecticut and Rhode Island state agencies. The process is expected to be completed by Summer 2016. The Corporation incurred approximately $1.5 million in legal and other professional expenses in connection with due diligence as a result of this agreement which has been recorded as nonoperating expenses within the Consolidated Statement of Operations.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc. (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, the Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets in 2013. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation was preliminary and has been adjusted as additional information was obtained in 2014. An additional $5.3 million in inherent contribution was recorded in 2014, principally due to $3.1 million better experience on accounts receivable collections and $1.8 million in favorable final settlement of assumed accounts payable liabilities.

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2015 or 2014.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 Quoted prices in active markets for identical assets.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts. In 2015 a significant remainder trust payment of $4 million was received from the estate of a donor in accordance with the terms of the trust documents. At the time of the trust termination, the trust was recorded at $3.2 million and based on the value of the trust received; $.8 million was recorded as a change in value of irrevocable trusts on the Hospital's change in temporarily restricted net assets. The release from restriction of the $4 million for use on operations was recorded on the Corporation's Statement of Operations as all gifts and development activity is recorded at the Corporation.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts, unexpended bond proceeds for construction purposes, and assets held by trustees are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues Over Expenses
The consolidated statements of operations include nonoperating expenses in connection with the affiliation with Yale New Haven Health Systems in excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd, a wholly owned subsidiary of the Corporation. The Hospitals, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Labor Action Update
The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. A contract was reached and ratified and the workforce had a three year contract that was signed in February 2014. The Hospital monitored the negative impact of the strike and lockout on both revenues and expenses. This impact consisted of a reduction in net revenue of approximately $1,900,000 (unaudited) and $12,300,000 (unaudited) of replacement workers, security and reduced salary costs during 2014.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 5, 2016, which is the date the financial statements were issued.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2015	2014
Gross charges from services to patients	$ 1,138,320,863	$ 1,078,626,933
Less: Charity care	6,124,509	6,782,933
Charges from services to patients, net of charity care	1,132,196,354	1,071,844,000
Deductions		
Allowances	663,929,578	615,856,880
State of Connecticut uncompensated care system	12,801,007	2,458,020
Total deductions	676,730,585	618,314,900
Net revenues from services to patients	$ 455,465,769	$ 453,529,100

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. In 2014 and 2015, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $4,119,679 in 2015 and decreased the Hospital's revenue by approximately$1,584,575 in 2014.

During 2015 and 2014, approximately 36% and 35%, respectively, of net patient service revenue was received under the Medicare program, and 12% and 11%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines.

3. Investments

Investments included in current assets consist of the following:

	2015	2014
Investments		
Cash and cash equivalents	$ 4,347,663	$ 6,293,794
Bonds	37,080,980	40,097,819
Mutual funds	39,711,437	72,596,528
Hedge funds	70,852,615	57,360,354
Private equities	6,682,428	4,535,516
Marketable equities	3,603,520	3,542,028
Total investments	162,278,643	184,426,039
Funds held in trust by others		
Investments held in trust by others	7,633,141	11,348,610
Total funds held in trust by others	7,633,141	11,348,610
Endowment investments		
Cash and cash equivalents	4,410,185	4,307,512
Bonds	5,312,210	5,061,901
Mutual funds	11,438,208	14,191,010
Hedge funds	7,603,385	6,263,387
Private equities	288,434	209,627
Marketable equities	6,406,279	6,607,991
Total endowment investments	35,458,701	36,641,428
Total investments at fair value	$ 205,370,485	$ 232,416,077

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2015			
	Level 1	Level 2	Level 3	Total Fair Value
Investments				
Cash and cash equivalents	$ 4,347,663	$ -	$ -	$ 4,347,663
Bonds	30,675,681	6,405,299	-	37,080,980
Mutual funds	39,711,437	-	-	39,711,437
Hedge funds	-	-	70,852,615	70,852,615
Private equities	-	-	6,682,428	6,682,428
Marketable equities	3,603,520	-	-	3,603,520
Total investments	78,338,301	6,405,299	77,535,043	162,278,643
Funds held in trust by others				
Investments held in trust by others	-	-	7,633,141	7,633,141
Total held in trust by others	-	-	7,633,141	7,633,141
Endowment investments				
Cash and cash equivalents	4,410,185	-	-	4,410,185
Bonds	3,435,383	1,577,048	299,779	5,312,210
Mutual funds	10,110,127	-	1,328,081	11,438,208
Hedge funds	-	-	7,603,385	7,603,385
Private equities	-	-	288,434	288,434
Marketable equities	6,406,279	-	-	6,406,279
Total endowment investments	24,361,974	1,577,048	9,519,679	35,458,701
Total Investments at fair value	$ 102,700,275	$ 7,982,347	$ 94,687,863	$ 205,370,485

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Investments				
Cash and cash equivalents	$ 6,293,794	$ -	$ -	$ 6,293,794
Bonds	33,184,269	6,913,550	-	40,097,819
Mutual funds	72,596,528	-	-	72,596,528
Hedge funds	-	-	57,360,354	57,360,354
Private equities	-	-	4,535,516	4,535,516
Marketable equities	3,542,028	-	-	3,542,028
Total investments	115,616,619	6,913,550	61,895,870	184,426,039
Funds held in trust by others				
Investments held in trust by others	-	-	11,348,610	11,348,610
Total held in trust by others	-	-	11,348,610	11,348,610
Endowment investments				
Cash and cash equivalents	4,307,512	-	-	4,307,512
Bonds	3,300,408	1,449,067	312,427	5,061,902
Mutual funds	12,613,287	-	1,577,722	14,191,009
Hedge funds	-	-	6,263,387	6,263,387
Private equities	-	-	209,627	209,627
Marketable equities	6,607,991	-	-	6,607,991
Total endowment investments	26,829,198	1,449,067	8,363,163	36,641,428
Total Investments at fair value	$ 142,445,817	$ 8,362,617	$ 81,607,643	$ 232,416,077

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

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

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2014	Investment Income	Realized Gains	Unrealized (Losses) Gains	Investment Fees	Purchases	Sales	Ending September 30, 2015
Investment pool								
Hedge funds	$ 65,555,869	$ 458,045	$ 966,260	$ (6,421,508)	$ (295,818)	$ 20,216,000	$ (187,009)	$ 80,291,859
Private equities	4,703,144	667	330,143	534,090	(116,790)	1,821,362	(509,753)	6,762,863
Funds held in trust	11,348,610	102,675	393,314	(22,441)	(51,916)	41,181	(4,178,282)	7,633,141
	$ 81,607,643	$ 561,387	$ 1,689,717	$ (5,909,859)	$ (464,524)	$ 22,078,543	$ (4,875,044)	$ 94,687,863

	Beginning October 1, 2013	Investment Income	Realized Gains (Losses)	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2014
Investment pool								
Hedge funds	$ 62,386,680	$ 624,650	$ 270,868	$ 2,318,323	$ (158,389)	$ 381,586	$ (268,029)	$ 65,555,889
Private equities	1,996,835	-	387,382	311,627	(86,266)	2,189,982	(76,416)	4,703,144
Funds held in trust	10,956,429	141,409	(38,835)	344,380	(51,515)	-	(3,258)	11,348,610
	$ 75,340,144	$ 766,059	$ 619,415	$ 2,974,330	$ (296,170)	$ 2,551,568	$ (347,703)	$ 81,607,643

There were no significant transfers of assets between levels for the year ended September 30, 2015.

A summary of the investment return is presented below:

	2015	2014
Investment income	$ 3,232,345	$ 3,138,334
Realized and unrealized (losses) gains	(12,237,230)	10,268,410
Management fees and other costs	(671,327)	(754,021)
Total return on investments	$ (9,676,212)	$ 12,652,723

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2015.

	Strategy	Fair Value	Number of Investments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Equity securities	Global developed and emerging market equity	$ 32,433,821	2	No remaining commitments	Monthly with 10 day's notice	None
Absolute return	Long/short and long-biased equity and credit hedge funds	18,245,530	2	No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date
Directional hedge	Long/short and long-biased equity and credit hedge funds	25,691,083	1	No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date
Commodities	Commodity index	3,713,425	1	No remaining commitments	Monthly with 5 day's notice	None
Private equity	Private equity	6,970,862	9	Long term 5 years	Illiquid	Long Term 5-10 years
		$ 87,054,722				

None of the funds invested in are finite lived. Unfunded commitments at September 30, 2015 total approximately $5.5 million and relate to private equity funds. There are no liquidity restrictions in place at September 30, 2015.

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.
- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 10,480,208	$ 17,497,079	$ 7,382,529	$ 35,359,816
Investment return				
Investment income	382,283	105,090	17,103	504,476
Net realized and unrealized gains (losses)	151,631	(1,268,480)	(66,441)	(1,183,290)
Contributions	87,352	-	77,827	165,179
Total investment return	621,266	(1,163,390)	28,489	(513,635)
Income distribution	-	(140,748)	-	(140,748)
Endowment net assets at end of year	$ 11,101,474	$ 16,192,941	$ 7,411,018	$ 34,705,433

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861
Addition of Westerly Hospital Endowment Net Assets	18,975	-	-	18,975
Investment return				
Investment income	304,778	170,106	20,569	495,453
Net realized and unrealized gains	715,724	1,288,111	32,832	2,036,667
Contributions	183,147	-	80,073	263,220
Total investment return	1,203,649	1,458,217	133,474	2,795,340
Income distribution	-	(139,360)	-	(139,360)
Endowment net assets at end of year	$ 10,480,208	$ 17,497,079	$ 7,382,529	$ 35,359,816

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of the endowment retained either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2015	2014
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 16,192,941	$ 17,497,079
Total endowment funds classified as temporarily restricted net assets	$ 16,192,941	$ 17,497,079
Permanently restricted net assets		
Corpus of permanently restricted contributions for which income is to be used for purchase of equipment and healthcare services	$ 7,411,018	$ 7,382,529
Total endowment funds classified as permanently restricted net assets	$ 7,411,018	$ 7,382,529

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2015 and 2014.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2015 and 2014:

	2015	2014
Temporarily restricted net assets		
Funds held in trust by others	$ 482,010	$ 3,799,127
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	15,036,239	16,369,376
Specific purpose reserves	4,747,982	4,581,818
	$ 20,286,597	$ 24,770,687

Permanently restricted net assets at September 30, 2015 and 2014 are restricted to:

	2015	2014
Permanently restricted net assets		
Funds held in trust by others	$ 7,172,936	$ 7,571,288
Donor restricted endowment funds	8,161,020	8,132,530
	$ 15,333,956	$ 15,703,818

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2015	2014
Land and land improvements	$ 23,444,067	$ 23,323,273
Buildings	173,682,838	171,045,151
Equipment	293,448,847	284,414,885
	490,575,752	478,783,309
Less: Accumulated depreciation	(297,167,005)	(274,060,791)
	193,408,747	204,722,518
Construction in progress	2,879,995	2,127,781
	$ 196,288,742	$ 206,850,299

7. Long-Term Debt

	2015	2014
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2016 to 2026	$ 28,065,000	$ 30,900,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series G revenue bonds		
3.2% Term Bonds, due 2016 to 2023, option to extend 2038	28,375,000	29,200,000
CHEFA Series H revenue bonds		
Variable rate bonds, due 2023-2034	21,405,000	21,405,000
Tax exempt lease	8,302,654	9,963,984
Capital lease obligation	53,360	246,684
Total debt outstanding	106,006,014	111,520,668
Less: Amounts classified as current	5,495,740	5,476,980
Add: Bond premium	2,428,473	2,544,114
Total long-term portion of long-term debt	$ 102,938,747	$ 108,587,802

On September 15, 2011 the Connecticut Health and Education Facilities Authority ("CHEFA") issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bonds due at various dates through July 1, 2036, with annual sinking fund payments due each July 1st. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 which began on January 1, 2012.

The tax exempt lease was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This lease obligation will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $29,200,000 with an interest rate of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038.

On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank. Interest on the Series H Bonds accrues at the weekly rate and is payable on the first business day of each month commencing January 1, 2014.

Under the terms of the trust indenture for the Series F, G and H Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series F, G and H Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

The Series H Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Hospital maintains a letter of credit in the amount of $21,405,000 which expires on November 5, 2016. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are monthly installments. The Series H Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

The Corporation had a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare had a line of credit with Washington Trust for $4,860,642. This line was reissued at time of closing but was paid off in November 2013.

The fair value of the outstanding bonds is $101,550,368 and $106,215,296 at September 30, 2015 and September 30, 2014, respectively.

Principal repayments on the outstanding long term debt are as follows:

Years	Annual Principal Repayment
2016	$ 5,495,740
2017	5,730,772
2018	5,916,285
2019	6,142,340
2020 and thereafter	82,720,877
	$ 106,006,014

Cash interest payments of $3,495,549 and $3,566,051 were made in fiscal year 2015 and 2014, respectively. No interest was capitalized during 2015 and 2014.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2015 and 2014 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2015	2014	2015	2014
Change in benefit obligation				
Benefit obligation at beginning of year	$ 156,674,809	$ 145,789,789	$ 837,437	$ 1,000,744
Service cost	2,141,301	2,402,724	-	-
Interest cost	6,195,482	6,417,121	24,077	29,884
Employee contributions	41,451	69,839	-	-
Benefits paid	(7,608,334)	(7,015,362)	(91,218)	(95,403)
Actuarial (gain) loss	4,414,165	9,010,698	(15,972)	(97,788)
Benefit obligation at end of year	161,858,874	156,674,809	754,324	837,437
Change in plan assets				
Fair value of plan assets at beginning of year	115,176,724	105,860,348	-	-
Actual return on plan assets	(4,147,965)	9,861,899	-	-
Employee contributions	41,451	69,839	-	-
Employer contributions	7,400,000	6,400,000	91,218	95,403
Benefits paid	(7,608,334)	(7,015,362)	(91,218)	(95,403)
Fair value of plan assets at end of year	110,861,876	115,176,724	-	-
Funded status of the plan	(50,996,998)	(41,498,085)	(754,324)	(837,437)
Unrecognized net loss (gain) from past experience different from that assumed and effects of changes in assumptions	55,236,126	41,399,294	(443,280)	(488,085)
Unrecognized prior service cost	4,050	79,157	-	-
Accrued benefit costs recognized in the statements of operations	$ 4,243,178	$ (19,634)	$ (1,197,604)	$ (1,325,522)
Components of net periodic benefit costs				
Service cost	$ 2,141,301	$ 2,402,724	$ -	$ -
Interest cost	6,195,482	6,417,121	24,077	29,884
Expected return on plan assets	(8,603,526)	(7,920,200)	-	-
Amortization of net loss (gain)	3,328,824	2,676,330	(60,777)	(66,454)
Net amortization and deferral	75,107	111,153	-	-
Benefit cost	$ 3,137,188	$ 3,687,128	$ (36,700)	$ (36,570)

The net actuarial loss of approximately $4.4 million is due to a loss of approximately $7.5 million due to a change in mortality table offset by gains due to decrease in discount rate and other changes in assumptions.

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2015	2014
Discount rate	4.05 %	4.51 %
Average rate of compensation increases	2.50 %	2.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2015	2014
Discount rate	4.10 %	4.05 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2015	2014
Cash	2 %	2 %
Bonds	32	24
Mutual funds	26	45
Hedge funds	40	29
	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2015	$ 7,940,500
2016	8,280,197
2017	8,395,891
2018	8,784,310
2019	9,069,440
Expected aggregate for 5 fiscal years beginning 2020	49,712,011

Annual employer contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2016 are approximately (unaudited):

Pension	$ 7,940,000
Retiree health	89,642

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 8.0% in 2015 reducing to 5.0% by the year 2020 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $49,000 and $56,000, respectively, at September 30, 2015 and 2014. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $45,000 and $51,000, respectively, at September 30, 2015 and 2014.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2015:

	Level 1	Level 2	Level 3	2015
Investments, at fair value				
Cash	$ 2,345,782	$ -	$ -	$ 2,345,782
Bonds	35,027,573	-	-	35,027,573
Mutual funds	24,119,636	4,946,910	-	29,066,546
Hedge funds	-	-	44,421,975	44,421,975
Total investments, at fair value	$ 61,492,991	$ 4,946,910	$ 44,421,975	$ 110,861,876

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2014:

	Level 1	Level 2	Level 3	2014
Investments, at fair value				
Cash	$ 2,417,830	$ -	$ -	$ 2,417,830
Bonds	27,571,791	-	-	27,571,791
Mutual funds	46,557,396	5,171,869	-	51,729,265
Hedge funds	-	-	33,457,838	33,457,838
Total investments, at fair value	$ 76,547,017	$ 5,171,869	$ 33,457,838	$ 115,176,724

There were transfers between levels during 2015 but no transfers in 2014.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2015	2014
Beginning balances	$ 33,457,838	$ 31,893,958
Realized gains	554,617	4,588,368
Fees	(204,757)	(79,614)
Unrealized losses	(3,485,723)	(2,944,874)
Purchases	14,100,000	-
Ending balances	$ 44,421,975	$ 33,457,838

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,764,785 and $4,584,389 for 2015 and 2014, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $504,943 and $463,475 for the years ended September 30, 2015 and 2014, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2015	2014
Health care services	$ 347,731,294	$ 348,719,365
General and administrative	122,555,118	124,868,311
	$ 470,286,412	$ 473,587,676

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2015

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 13,362,306	$ 79,026	$ -	$ 13,441,332	$ -	$ 1,742,691	$ 3,358,523	$ 2,330,545	$ 3,421,521	$ -	$ 24,264,612
Investments	107,365,636	28,697,270	-	136,062,906	-	-	18,604,941	7,476,983	133,813	-	162,278,643
Patient accounts receivable, net	37,976,959	-	-	37,976,959	-	997,949	-	2,895,357	8,601,329	-	50,471,594
Other receivables	4,131,254	-	-	4,131,254	24,500	55,407	1,241,613	622,506	-	-	6,075,280
Inventories	6,194,355	-	-	6,194,355	-	-	-	-	1,960,488	-	8,154,843
Due from affiliates	1,958,442	24,500	(1,958,442)	24,500	2,512,703	-	-	-	-	(2,537,203)	-
Prepaid expenses and other current assets	3,125,348	-	-	3,125,348	-	84,040	16,143	339,100	245,795	-	3,810,426
Debt service fund	1,304,613	-	-	1,304,613	-	-	-	-	-	-	1,304,613
Total current assets	175,418,913	28,800,796	(1,958,442)	202,261,267	2,537,203	2,880,087	23,221,220	13,634,491	14,362,946	(2,537,203)	256,360,011
Assets limited as to use											
Cash	183,677	-	-	183,677	-	-	-	-	-	-	183,677
Investments held in trust	926,080	-	-	926,080	-	-	-	-	-	-	926,080
Endowment investments	17,802,686	3,387,752	-	21,190,441	-	-	-	6,777,246	7,491,014	-	35,458,701
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	3,584,118	-	-	3,584,118	-	-	-	-	4,049,023	-	7,633,141
Contributions receivable	20,366	2,146,420	-	2,166,786	-	-	-	-	750,000	-	2,916,786
Total assets limited as to use	22,516,930	24,815,619	-	47,332,549	-	-	-	6,777,246	12,290,037	(19,281,447)	47,118,385
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	2,804,375	-	2,804,375
Other receivables	19,596,372	-	-	19,596,372	-	2,868,056	287,916	9,462	770,142	(20,513,394)	2,818,554
Deferred financing costs and other assets, net	2,187,006	-	-	2,187,006	-	-	-	-	-	-	2,187,006
Property, plant and equipment											
Land improvements	8,904,363	12,330,635	-	21,234,998	-	-	-	330,275	1,878,794	-	23,444,067
Buildings/leasehold improvements	152,295,547	-	-	152,295,547	-	1,062,737	-	2,285,699	18,038,855	-	173,682,838
Equipment/furniture	270,848,642	17,010	-	270,865,652	-	1,178,352	-	1,016,108	20,368,735	-	293,448,847
Accumulated depreciation	(283,857,352)	(166,376)	-	(284,023,728)	-	(1,200,400)	-	(2,029,102)	(9,913,775)	-	(297,167,005)
Construction in progress	2,785,773	-	-	2,785,773	-	-	-	-	94,222	-	2,879,995
Property, plant and equipment, net	150,976,973	12,181,269	-	163,158,242	-	1,040,689	-	1,602,980	30,486,831	-	196,288,742
	$ 370,696,194	$ 65,797,684	$ (1,958,442)	$ 434,535,436	$ 2,537,203	$ 6,588,832	$ 23,509,136	$ 22,024,179	$ 50,514,331	$ (42,332,044)	$ 507,377,073

The accompanying notes are an integral part of these consolidated financial statements.

DOHP0477A28

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2015

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 33,209,795	$ 88,903	$ -	$ 33,298,698	$ -	$ 201,568	$ 93,932	$ 244,438	$ 3,334,297	$ -	$ 37,172,933
Accrued vacation and sick pay	10,112,002	-	-	10,112,002	-	1,500,450	-	691,888	1,385,608	-	13,689,948
Salaries, wages, payroll taxes and amounts withheld from employees	4,908,525	-	-	4,908,525	-	2,790,267	-	659,774	1,260,223	-	9,618,789
Due to affiliates	2,512,703	1,941,981	(1,958,442)	2,496,242	40,961	-	-	-	-	(2,537,203)	-
Due to third party payors	6,711,203	-	-	6,711,203	-	-	-	140,000	1,324,643	-	8,175,846
Other current liabilities	-	-	-	-	-	-	513,215	142,366	-	-	655,581
Current portion of long-term debt	5,495,740	-	-	5,495,740	-	-	-	-	-	-	5,495,740
Total current liabilities	62,949,968	2,030,884	(1,958,442)	63,022,410	40,961	4,492,285	607,147	1,878,466	7,304,771	(2,537,203)	74,808,837
Accrued pension and other postretirement benefits	52,989,394	-	-	52,989,394	-	-	-	-	479,011	-	53,468,405
Other liabilities	23,691,278	-	-	23,691,278	-	4,855,295	22,147,795	258,790	2,757,900	(22,081,251)	31,629,787
Long-term debt less current portion	102,938,747	-	-	102,938,747	-	-	-	-	-	-	102,938,747
Total liabilities	242,569,387	2,030,884	(1,958,442)	242,641,829	40,961	9,347,580	22,754,942	2,137,256	10,541,682	(24,618,454)	262,845,756
Net assets											
Unrestricted	103,203,168	63,657,520	-	166,860,688	2,496,242	(2,758,748)	754,194	19,859,923	39,412,015	(17,713,550)	208,910,764
Temporarily restricted	18,960,042	109,280	-	19,069,322	-	-	-	-	1,217,275	-	20,286,597
Permanently restricted	5,963,597	-	-	5,963,597	-	-	-	27,000	9,343,359	-	15,333,956
Total net assets	128,126,807	63,766,800	-	191,893,607	2,496,242	(2,758,748)	754,194	19,886,923	49,972,649	(17,713,550)	244,531,317
	$ 370,696,194	$ 65,797,684	$ (1,958,442)	$ 434,535,436	$ 2,537,203	$ 6,588,832	$ 23,509,136	$ 22,024,179	$ 60,514,331	$ (42,332,044)	$ 507,377,073

DOHP0477A29

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 6,917,676	$ 334,893	$ -	$ 7,252,569	$ -	$ 1,901,701	$ 950,345	$ 1,675,245	$ 4,700,669	$ -	$ 16,480,529
Investments	128,450,331	31,541,423	-	159,991,754	-	-	16,769,765	7,523,944	140,576	-	184,426,039
Patient accounts receivable, net	36,373,069	-	-	36,373,069	-	2,378,629	-	2,740,706	5,990,550	-	47,482,954
Other receivables	4,156,260	-	-	4,156,260	24,500	289,393	1,322,262	-	-	-	5,792,415
Inventories	6,580,753	-	-	6,580,753	-	-	-	-	1,812,254	-	8,393,007
Due from affiliates	1,954,838	24,500	(1,954,838)	24,500	2,215,430	-	-	-	-	(2,239,930)	-
Prepaid expenses and other current assets	2,689,506	-	-	2,689,506	-	545,698	16,143	436,951	58,427	-	3,748,725
Debt service fund	1,304,562	-	-	1,304,562	-	-	-	-	-	-	1,304,562
Total current assets	188,426,995	31,900,816	(1,954,838)	218,372,973	2,239,930	5,115,421	19,058,515	12,376,846	12,702,476	(2,239,930)	267,628,231
Assets limited as to use											
Cash	182,862	-	-	182,862	-	-	-	-	-	-	182,862
Construction funds	561,676	-	-	561,676	-	-	-	-	-	-	561,676
Investments held in trust	925,227	-	-	925,227	-	-	-	-	-	-	925,227
Endowment investments	18,987,367	3,565,739	-	22,553,106	-	-	-	6,654,619	7,433,703	-	36,641,428
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,985,614	-	-	6,985,614	-	-	-	-	4,362,996	-	11,348,610
Contributions receivable	20,366	2,750,421	-	2,770,787	-	-	-	-	750,000	-	3,520,787
Total assets limited as to use	27,663,112	25,597,607	-	53,260,719	-	-	-	6,654,619	12,546,699	(19,281,447)	53,180,590
Other assets											
Intangible assets, net	-			-	-	-	-	-	2,978,625	-	2,978,625
Other receivables	16,536,719	-	-	16,536,719	-	2,137,101	287,916	-	-	(16,380,950)	2,580,786
Deferred financing costs and other assets, net	2,315,752	-	-	2,315,752	-	-	-	-	-	-	2,315,752
Property, plant and equipment											
Land improvements	8,846,232	12,330,635	-	21,176,867	-	-	-	330,275	1,816,131	-	23,323,273
Buildings/leasehold improvements	150,910,346	-	-	150,910,346	-	1,046,733	-	2,238,496	16,849,576	-	171,045,151
Equipment/furniture	265,024,485	17,010	-	265,041,495	-	976,188	-	994,431	17,402,771	-	284,414,885
Accumulated depreciation	(265,615,130)	(104,684)	-	(265,719,814)	-	(973,022)	-	(1,937,034)	(5,430,921)	-	(274,060,791)
Construction in progress	1,691,863	-	-	1,691,863	-	-	-	-	435,918	-	2,127,781
Property, plant and equipment, net	160,857,796	12,242,961	-	173,100,757	-	1,049,899	-	1,626,168	31,073,475	-	206,850,299
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP0477A30

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 25,786,034	$ 115,809	$ -	$ 25,901,843	$ -	$ 343,515	$ 197,453	$ 1,815,548	$ 8,298,829	$ -	$ 36,357,188
Accrued vacation and sick pay	11,281,701	-	-	11,281,701	-	1,595,316	-	-	1,346,711	-	14,223,728
Salaries, wages, payroll taxes and amounts withheld from employees	5,950,567	-	-	5,950,567	-	3,536,119	-	-	1,184,830	-	10,671,516
Due to affiliates	2,215,430	1,912,595	(1,954,838)	2,173,187	66,743	-	-	-	-	(2,239,930)	-
Due to third party payors	5,165,225	-	-	5,165,225	-	-	-	234,000	1,858,724	-	7,257,949
Other current liabilities	-	-	-	-	-	-	428,096	154,457	-	-	582,553
Current portion of long-term debt	5,342,305	-	-	5,342,305	-	-	-	-	134,675	-	5,476,980
Total current liabilities	55,741,262	2,028,404	(1,954,838)	55,814,828	66,743	5,474,950	625,549	2,004,005	12,823,769	(2,239,930)	74,569,914
Accrued pension and other postretirement benefits	43,216,010	-	-	43,216,010	-	-	-	-	372,651	-	43,588,661
Other liabilities	20,601,530	-	-	20,601,530	-	3,744,380	17,719,560	-	2,135,400	(17,789,969)	26,410,901
Long-term debt less current portion	108,587,802	-	-	108,587,802	-	-	-	-	-	-	108,587,802
Total liabilities	228,146,604	2,028,404	(1,954,838)	228,220,170	66,743	9,219,330	18,345,109	2,004,005	15,331,820	(20,029,899)	253,157,278
Net assets											
Unrestricted	138,173,767	67,562,541	-	205,736,308	2,173,187	(916,909)	1,001,322	18,628,628	33,152,392	(17,872,428)	241,902,500
Temporarily restricted	23,432,028	150,439	-	23,582,467	-	-	-	-	1,168,220	-	24,770,687
Permanently restricted	6,047,975	-	-	6,047,975	-	-	-	27,000	9,628,843	-	15,703,818
Total net assets	167,653,770	67,712,980	-	235,366,750	2,173,187	(916,909)	1,001,322	18,655,628	43,969,455	(17,872,428)	282,377,005
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

The accompanying notes are an integral part of these consolidated financial statements.

DOHP0477A31

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2015

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 339,282,362	$ -	$ -	$ 339,282,362	$ -	$ 29,975,826	$ -	$ 12,862,092	$ 73,345,489	$ -	$ 455,465,769
Provision for bad debt	(12,821,337)	-	-	(12,821,337)	-	(886,077)	-	(73,656)	(2,902,353)	-	(16,683,423)
Net revenue less provision for bad debt	326,461,025	-	-	326,461,025	-	29,089,749	-	12,788,436	70,443,136	-	438,782,346
Other operating revenues	30,674,305	963,970	-	31,638,275	555,885	8,944,425	6,145,615	4,169,099	2,355,099	(37,632,581)	16,375,817
Net assets released from restriction used for operations	577,092	4,254,553	-	4,831,645	-	-	-	-	-	-	4,831,645
	357,912,422	5,218,523	-	363,130,945	555,885	38,034,174	6,145,615	16,957,535	72,798,235	(37,632,581)	459,989,808
Operating expenses											
Salaries and wages	140,605,613	-	-	140,605,613	-	37,208,008	-	11,408,447	28,970,058	(6,067,435)	212,124,691
Employee benefits	51,698,355	-	-	51,698,355	-	6,855,301	-	2,680,705	6,892,411	(9,086,115)	59,040,657
Supplies	63,622,692	253,939	-	63,876,631	-	1,500,252	-	354,796	10,942,574	-	76,774,253
Purchased services	29,998,356	391,508	-	30,389,864	14,206	4,338,255	188,964	446,565	15,254,539	(11,025,150)	39,607,243
Other	40,208,162	34,629	-	40,242,791	218,624	9,708,321	7,204,478	873,982	3,261,737	(11,277,759)	50,232,174
Interest	3,553,690	-	-	3,553,690	-	-	-	-	416,000	(416,000)	3,553,690
Depreciation and amortization	23,639,711	61,692	-	23,701,403	-	227,378	-	92,068	4,932,855	-	28,953,704
Total expenses	353,326,579	741,768	-	354,068,347	232,830	59,937,515	7,393,442	15,856,563	70,670,174	(37,872,459)	470,286,412
Income (loss) from operations	4,585,843	4,476,755	-	9,062,598	323,055	(21,903,341)	(1,247,827)	1,100,972	2,128,061	239,878	(10,296,604)
Nonoperating gains											
Unrestricted investment income	228,240	-	-	228,240	-	-	-	-	-	-	228,240
Nonoperating expenses	-	(1,527,184)	-	(1,527,184)	-	-	-	-	-	-	(1,527,184)
Income from investments and realized gains	9,708,669	2,175,070	-	11,883,739	-	-	205,148	807,251	235,779	-	13,131,917
	9,936,909	647,886	-	10,584,795	-	-	205,148	807,251	235,779	-	11,832,973
Excess (deficit) of revenues over expenses	14,522,752	5,124,641	-	19,647,393	323,055	(21,903,341)	(1,042,679)	1,908,223	2,363,840	239,878	1,536,369
Net unrealized (losses) on investments	(16,107,490)	(3,912,089)	-	(20,019,589)	-	-	(204,449)	(676,928)	(6,162)	-	(20,907,128)
Transfer to affiliated entities	(19,764,884)	(5,117,563)	-	(24,882,447)	-	20,061,502	1,000,000	-	3,820,945	-	-
Net assets released from restrictions used for purchases of property and equipment	140,748	-	-	140,748	-	-	-	-	-	-	140,748
Donated equipment	-	-	-	-	-	-	-	-	61,000	(61,000)	-
Pension related changes other than periodic pension costs	(13,761,725)	-	-	(13,761,725)	-	-	-	-	-	-	(13,761,725)
Decrease in unrestricted net assets	$ (34,970,599)	$ (3,905,021)	$ -	$ (38,875,620)	$ 323,055	$ (1,841,839)	$ (247,128)	$ 1,231,295	$ 6,259,623	$ 158,878	$ (32,991,736)

The accompanying notes are an integral part of these consolidated financial statements.

DOHP0477A32

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 337,129,192	$ -	$ -	$ 337,129,192	$ -	$ 29,333,784	$ -	$ 12,091,733	$ 74,974,391	$ -	$ 453,529,100
Provision for bad debt	(14,930,302)	-	-	(14,930,302)	-	(534,484)	-	(75,000)	(4,758,000)	-	(20,298,386)
Net revenue less provision for bad debt	322,198,890	-	-	322,198,890	-	28,799,300	-	12,016,733	70,215,791	-	433,230,714
Other operating revenues	28,151,061	2,958,303	-	31,109,364	486,265	4,787,661	5,376,594	4,140,108	2,963,560	(28,068,175)	20,795,287
Net assets released from restriction used for operations	671,797	204,406	-	876,203	-	-	-	-	-	-	876,203
	351,021,748	3,162,709	-	354,184,457	486,265	33,586,961	5,376,594	16,156,841	73,179,351	(28,068,175)	454,902,204
Operating expenses											
Salaries and wages	143,838,674	-	-	143,838,674	-	37,356,344	-	10,811,798	28,074,499	(6,613,808)	213,467,507
Employee benefits	51,044,718	-	-	51,044,718	-	6,483,081	-	2,598,219	6,454,031	(7,394,212)	59,185,837
Supplies	59,538,141	206,897	-	59,745,038	-	1,334,391	-	330,396	10,588,285	-	71,998,110
Purchased services	38,647,767	516,743	-	39,166,510	19,330	3,462,524	334,536	480,267	15,344,077	(4,332,235)	54,475,011
Other	34,490,156	42,546	-	34,532,702	122,200	7,849,748	5,486,160	937,952	4,066,583	(9,568,175)	43,427,170
Interest	3,542,721	8,500	-	3,551,221	-	-	-	-	419,698	(416,000)	3,554,919
Depreciation and amortization	22,728,484	61,692	-	22,790,176	-	234,268	-	107,318	4,347,360	-	27,479,122
Total expenses	353,830,661	838,378	-	354,669,039	141,530	56,720,356	5,820,698	15,265,950	69,294,533	(28,324,430)	473,587,676
(Loss) from operations	(2,808,913)	2,324,331	-	(484,582)	344,735	(23,133,395)	(444,194)	890,891	3,884,818	256,255	(18,685,472)
Nonoperating gains											
Unrestricted investment income	180,488	-	-	180,488	-	-	-	-	-	-	180,488
Income from investments and realized gains	8,608,113	355,103	-	8,963,216	-	-	203,572	652,017	13,359	-	9,832,164
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	5,284,752	-	5,284,752
	8,788,601	355,103	-	9,143,704	-	-	203,572	652,017	5,298,111	-	15,297,404
(Deficit) excess of revenues over expenses	5,979,688	2,679,434	-	8,659,122	344,735	(23,133,395)	(240,622)	1,542,908	9,182,929	256,255	(3,388,068)
Net unrealized gains on investments	31,059	1,515,218	-	1,546,277	-	-	(88,647)	570,458	-	-	2,028,088
Transfer to affiliated entities	(33,861,262)	12,237,912	-	(21,623,350)	(18,465)	20,865,372	-	-	774,443	-	-
Net assets released from restrictions used for purchases of property and equipment	139,360	867,140	-	1,006,500	-	-	-	-	-	-	1,006,500
Donated equipment	6,350	-	-	6,350	-	-	-	-	-	-	6,350
Pension related changes other than periodic pension costs	(4,281,516)	-	-	(4,281,516)	-	-	-	-	-	-	(4,281,516)
Decrease in unrestricted net assets	$ (31,986,321)	$ 17,299,704	$ -	$ (14,686,617)	$ 328,270	$ (2,268,023)	$ (329,269)	$ 2,113,366	$ 9,957,372	$ 256,255	$ (4,628,646)

The accompanying notes are an integral part of these consolidated financial statements.

DOHP0477A33

Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $20,659,633 and $18,372,801 as of September 30, 2014 and September 30, 2013, respectively, and total revenues of $16,156,841 and $14,990,091 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2014 and September 30, 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the Unites States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations.

PricewaterhouseCoopers LLP

January 23, 2015

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 16,480,529	$ 11,532,247
Investments	184,426,039	181,339,986
Patient accounts receivable, net of allowance for doubtful accounts of $10,334,227 and $6,158,515, respectively	47,482,954	44,410,454
Other receivables	5,792,415	5,321,417
Inventories	8,393,007	7,501,154
Prepaid expenses and other current assets	3,748,725	3,557,507
Debt service fund	1,304,562	1,306,255
Total current assets	267,628,231	254,969,020
Assets limited as to use		
Cash	182,862	182,366
Construction fund	561,676	9,541,685
Investments held in trust	925,227	985,034
Endowment investments	36,641,428	34,155,796
Funds held in trust by others	11,348,610	10,956,429
Contributions receivable	3,520,787	2,702,993
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	2,247,255
Total assets limited as to use	53,180,590	60,771,558
Intangible assets, net	2,978,625	3,352,875
Other receivables	2,580,786	2,547,462
Deferred financing costs and other assets, net	2,315,752	1,776,176
Property, plant and equipment, net	206,850,299	208,182,039
	$ 535,534,283	$ 531,599,130
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 37,529,850	$ 42,611,470
Accrued vacation and sick pay	14,223,728	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	10,671,516	10,101,654
Due to third party payors	7,257,949	5,870,981
Other current liabilities	582,553	123,017
Current portion of long-term debt	5,476,980	9,347,876
Total current liabilities	75,742,576	80,635,705
Accrued pension and other postretirement benefits	43,216,010	42,309,345
Other liabilities	25,610,890	21,676,677
Long-term debt less current portion	108,587,802	101,001,797
Total liabilities	253,157,278	245,623,524
Net assets		
Unrestricted	241,902,500	246,531,146
Temporarily restricted	24,770,687	24,154,982
Permanently restricted	15,703,818	15,289,478
Total net assets	282,377,005	285,975,606
	$ 535,534,283	$ 531,599,130

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Operations
September 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 453,529,100	$ 372,745,739
Provision for bad debt	(20,298,386)	(14,555,970)
Net revenue less provision for bad debt	433,230,714	358,189,769
Other operating revenues	20,795,287	21,448,860
Net assets released from restriction used for operations	876,203	748,784
Total unrestricted revenues, gains and other support	454,902,204	380,387,413
Expenses		
Salaries and wages	213,467,507	193,780,844
Employee benefits	59,185,837	49,062,244
Supplies	71,998,110	49,529,083
Purchased services	54,475,011	32,278,640
Other	43,427,170	37,265,822
Interest	3,554,919	2,865,011
Depreciation and amortization	27,479,122	23,023,433
Total expenses	473,587,676	387,805,077
Loss from operations	(18,685,472)	(7,417,664)
Nonoperating gains		
Unrestricted investment income	180,488	122,109
Income from investments	9,832,164	7,752,127
Inherent contribution received from purchase of Westerly Hospital	5,284,752	1,796,782
Total nonoperating gains	15,297,404	9,671,018
(Deficit)/excess of revenues over expenses	(3,388,068)	2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	$ (4,628,646)	$ 20,397,805

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
September 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ (3,388,068)	$ 2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	(4,628,646)	20,397,805
Beginning of year unrestricted net assets	246,531,146	226,133,341
End of year unrestricted net assets	$ 241,902,500	$ 246,531,146
Temporarily restricted net assets		
Income from investments	$ 677,343	$ 668,022
Net assets released from restrictions	(1,882,704)	(916,535)
Inherent contribution received from purchase of Westerly Hospital	-	871,209
Contributions received	421,640	506,462
Change in value of funds held in trust by others	111,315	239,710
Net realized and unrealized gains on investments	1,288,111	1,701,848
Increase in temporarily restricted net assets	615,705	3,070,716
Temporarily restricted net assets		
Beginning of year	24,154,982	21,084,266
End of year	$ 24,770,687	$ 24,154,982
Permanently restricted net assets		
Income from investments	$ 20,569	$ 13,823
Inherent contribution received from purchase of Westerly Hospital	-	9,343,478
Contributions received	80,074	22,888
Change in value of funds held in trust by others	280,866	17,482
Net realized and unrealized gains on investments	32,831	-
Increase in permanently restricted net assets	414,340	9,397,671
Permanently restricted net assets		
Beginning of year	15,289,478	5,891,807
End of year	15,703,818	15,289,478
(Decrease)/increase in net assets	$ (3,598,601)	$ 32,866,192

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ (3,598,601)	$ 32,866,192
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	27,479,122	23,023,433
Net unrealized and realized gains on investments	(2,963,155)	(13,495,284)
Inherent contribution received from purchase of Westerly Hospital	(4,940,302)	(12,011,469)
Provision for bad debts	20,298,386	14,555,970
Increase in funds held in trust by others	(392,181)	(257,193)
Increase in contributions receivable	(817,794)	(794,898)
Restricted contributions	(1,164,969)	(1,174,484)
Changes in other operating accounts		
Patient accounts receivable, net	(20,461,592)	(20,317,347)
Other receivables, net	(504,322)	(970,777)
Inventories	(891,853)	(1,447,315)
Prepaid expenses and other current assets	(191,218)	(137,568)
Deferred financing costs and other assets	(539,576)	81,328
Accounts payable	(3,713,678)	(2,523,188)
Accrued vacation and sick pay	1,643,021	(1,558,312)
Salaries, wages, payroll taxes and amounts withheld from employees	569,862	3,652,618
Due to third party payors	1,386,968	(1,632,875)
Pension, postretirement and other liabilities	5,674,664	(9,245,208)
Net cash provided by operating activities	16,872,782	8,613,623
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(25,715,324)	(50,503,163)
Purchases of investments	(70,459,536)	(78,938,843)
Sales of investments	77,121,334	107,257,276
Purchase of Westerly Hospital	-	(14,535,558)
Decrease in debt service fund	1,693	855
Increase/(decrease) in funds held in escrow	2,247,255	(130)
Net cash used in investing activities	(16,804,578)	(36,719,563)
Cash flows from financing activities		
Restricted contributions	1,164,969	1,174,484
Principal payments of long term debt	(28,364,994)	(2,938,881)
Proceeds of long term debt	32,080,103	25,446,569
Net cash provided by financing activities	4,880,078	23,682,172
Net decrease in cash and cash equivalents	4,948,282	(4,423,768)
Cash and cash equivalents		
Beginning of year	11,532,247	15,956,015
End of year	$ 16,480,529	$ 11,532,247
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 1,673,118	$ 2,105,176
Contributed securities	$ 1,164,969	$ 1,174,484

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc. (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, the Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

As part of the purchase agreement the Corporation agreed to fund $30 million in capital costs for Westerly Hospital over five years after the closing, and agreed to provide up to $6.5 million of working capital for Westerly Hospital over the first two years after the closing.

The fair value of assets and liabilities acquired under this transaction as of June 1, 2013 are as follows:

	2013
Cash	$ 1,563,200
Patient accounts receivable	4,658,183
Inventories	1,550,130
Pledges	750,000
Prepaid expenses	325,650
Investments	6,870,933
Assets held in trust	4,247,816
Intangible assets	3,690,000
Property, plant & equipment	30,850,000
Total assets	54,505,912
Accrued compensation	2,488,190
Accounts payable and accrued expenses	15,052,105
Due to third parties	1,856,951
Asset retirement obligation	1,425,678
Debt	5,572,761
Total liabilities	26,395,685
Net assets acquired	$ 28,110,227

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets in 2013. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation was preliminary and has been adjusted as additional information was obtained in 2014. An additional $5.3 million in inherent contribution was recorded in 2014, principally due to $3.1 million better experience on accounts receivable and $1.8 million in better experience on accounts payable.

Intangible assets acquired in conjunction with the Westerly acquisition include:

	Fair value as of June 1, 2013	Amortization Period (in years)	
Patient relationships	$ 1,530,000	10.0	
Medical records	1,350,000	10.0	
Trademark	810,000	8.0	
	$ 3,690,000	9.5	(weighted average)

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2014 or 2013.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Labor action update
The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. A contract was reached and ratified and the workforce had a three year contract that was signed in February 2014. The Hospital monitored the negative impact of the strike and lockout on both revenues and expenses. The financial negative impact included in these financials is approximately $14,200,000. This consisted of a reduction in net revenue of approximately $1,900,000 and $12,300,000 of replacement workers, security and reduced salary costs during the strike and lock out period.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 23, 2015, which is the date the financial statements were issued.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2014	2013
Gross charges from services to patients	$ 1,078,626,933	$ 837,486,803
Less: Charity care	6,782,933	7,772,037
Charges from services to patients, net of charity care	1,071,844,000	829,714,766
Deductions		
Allowances	615,856,880	455,921,391
State of Connecticut uncompensated care system	2,458,020	1,047,636
Total deductions	618,314,900	456,969,027
Net revenues from services to patients	$ 453,529,100	$ 372,745,739

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. . In 2014, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements decreased the Hospital's revenues by approximately $1,584,575in 2014 and increased the Hospital's revenue by approximately$1,126,576 in 2013.

During 2014 and 2013, approximately 35% and 33%, respectively, of net patient service revenue was received under the Medicare program, and 11% and 12%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines.

3. Investments

Investments included in current assets consist of the following:

	2014	2013
Other investments		
Cash and cash equivalents	6,293,794	3,618,554
Bonds	40,097,819	38,890,479
Mutual funds	72,596,528	79,030,543
Hedge funds	57,360,354	54,766,338
Private equities	4,535,516	1,884,631
Marketable equities	3,542,028	3,149,441
Total other investments	184,426,039	181,339,986
Funds held in trust by others		
Investments held in trust by others	11,348,610	10,956,429
Total funds held in trust by others	11,348,610	10,956,429
Endowment investments		
Cash and cash equivalents	$ 4,307,512	$ 3,785,088
Bonds	5,061,901	4,823,170
Mutual funds	14,191,010	13,492,698
Hedge funds	6,263,387	5,961,109
Private equities	209,627	112,204
Marketable equities	6,607,991	5,981,527
Total endowment investments	36,641,428	34,155,796
Total investments at fair value	$ 232,416,077	$ 226,452,211

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	6,293,794	-	-	6,293,794
Bonds	33,184,269	6,913,550	-	40,097,819
Mutual funds	72,596,528	-	-	72,596,528
Hedge funds	-	-	57,360,354	57,360,354
Private equities	-	-	4,535,516	4,535,516
Marketable equities	3,542,028	-	-	3,542,028
Total other investments	115,616,619	6,913,550	61,895,870	184,426,039
Funds held in trust by others				
Investments held in trust by others	-	-	11,348,610	11,348,610
Total held in trust by others	-	-	11,348,610	11,348,610
Endowment investments				
Cash and cash equivalents	$ 4,307,512	$ -	$ -	$ 4,307,512
Bonds	3,300,408	1,449,067	312,427	5,061,902
Mutual funds	12,613,287	-	1,577,722	14,191,009
Hedge funds	-	-	6,263,387	6,263,387
Private equities	-	-	209,627	209,627
Marketable equities	6,607,991	-	-	6,607,991
Total endowment investments	26,829,198	1,449,067	8,363,163	36,641,428
Total Investments at fair value	$ 142,445,817	$ 8,362,617	$ 81,607,643	$ 232,416,077

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	3,618,554	-	-	3,618,554
Bonds	32,082,552	6,807,927	-	38,890,479
Mutual funds	79,030,543	-	-	79,030,543
Hedge funds	-	-	54,766,338	54,766,338
Private equities	-	-	1,884,631	1,884,631
Marketable equities	3,149,441	-	-	3,149,441
Total other investments	117,881,090	6,807,927	56,650,969	181,339,986
Funds held in trust by others				
Investments held in trust by others	-	-	10,956,429	10,956,429
Total held in trust by others	-	-	10,956,429	10,956,429
Endowment investments				
Cash and cash equivalents	$ 3,785,088	$ -	$ -	$ 3,785,088
Bonds	3,185,997	1,425,678	211,495	4,823,170
Mutual funds	12,044,760	-	1,447,938	13,492,698
Hedge funds	-	-	5,961,109	5,961,109
Private equities	-	-	112,204	112,204
Marketable equities	5,981,527	-	-	5,981,527
Total endowment investments	24,997,372	1,425,678	7,732,746	34,155,796
Total Investments at fair value	$ 142,878,462	$ 8,233,605	$ 75,340,144	$ 226,452,211

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

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

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2013	Investment Income	Realized Gains/(losses)	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2014
Investment pool								
Hedge funds	$ 62,386,880	$ 624,650	$ 270,868	$ 2,318,323	$ (158,389)	$ 381,586	$ (268,029)	$ 65,555,889
Private equities	1,996,835	-	387,382	311,627	(86,266)	2,169,982	(76,416)	4,703,144
Funds held in trust	10,956,429	141,409	(38,835)	344,360	(51,515)	-	(3,258)	11,348,610
Total	$ 75,340,144	$ 766,059	$ 619,415	$ 2,974,330	$ (296,170)	$ 2,551,568	$ (347,703)	$ 81,607,643

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 58,124,316	$ 354,977	$ 1,118,631	$ 5,509,944	$ (131,712)	$ 1,037,735	$ (1,827,081)	$ 62,386,880
Private equities	487,257	-	67,055	122,281	(63,590)	1,398,832	(15,000)	1,996,835
Funds held in trust	6,451,420	-	-	322,158	(64,965)	4,247,816	-	10,956,429
Total	$ 63,062,993	$ 354,977	$ 1,185,686	$ 5,954,383	$ (260,267)	$ 6,684,433	$ (1,842,081)	$ 75,340,144

There were no significant transfers of assets between levels for the year ended September 30, 2014.

A summary of the endowment investment return is presented below:

	2014	2013
Investment income	$ 752,014	$ 649,876
Realized and unrealized gains	1,714,027	2,225,435
Management fees and other costs	(55,806)	(47,805)
Total return on endowment investments	$ 2,410,235	$ 2,827,506

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2014.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 15,382,932	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	19,653,964	2	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	25,350,100	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	5,146,893	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	4,745,144	8	N/A		Illiquid long term 5 years	None	None	None
		$ 70,259,033							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.

- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861
Addition of Westerly Hospital Endowment Net Assets	18,975	-	-	18,975
Investment return				
Investment income	304,778	170,106	20,569	495,453
Net realized and unrealized gain	715,724	1,288,111	32,832	2,036,667
Contributions	183,147	-	80,073	263,220
Total investment return	1,203,649	1,458,217	133,474	2,795,340
Income distribution	-	(139,360)	-	(139,360)
Endowment net assets at end of year	$ 10,480,208	$ 17,497,079	$ 7,382,529	$ 35,359,816

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043
Addition of Westerly Hospital Endowment Net Assets	1,714,560	810,769	4,345,662	6,870,991
Investment return				
Investment income	287,500	161,761	(748)	448,513
Net realized and unrealized gain	451,980	1,701,848	14,570	2,168,398
Contributions	126,620	-	22,888	149,508
Total investment return	866,100	1,863,609	36,710	2,766,419
Income distribution	-	(129,592)	-	(129,592)
Endowment net assets at end of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2014	2013
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 17,497,079	$ 16,178,222
Total endowment funds classified as temporarily restricted net assets	$ 17,497,079	$ 16,178,222
Permanently restricted net assets		
Corpus of permanently restricted contributions for which income is to be used for purchase of equipment and healthcare services	$ 7,382,529	$ 7,249,055
Total endowment funds classified as permanently restricted net assets	$ 7,382,529	$ 7,249,055

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2014 and 2013.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

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

	2014	2013
Temporarily restricted net assets		
Funds held in trust by others	$ 3,799,127	$ 3,687,812
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	16,369,376	15,304,434
Specific purpose reserves	7,321,842	5,412,960
	$ 27,510,711	$ 24,425,572

Permanently restricted net assets at September 30, 2014 and 2013 are restricted to:

	2014	2013
Permanently restricted net assets		
Funds held in trust by others	$ 7,571,288	$ 7,290,422
Donor restricted endowment funds	8,132,530	7,999,056
	$ 15,703,818	$ 15,289,478

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2014	2013
Land and land improvements	$ 23,323,273	$ 21,524,487
Buildings	171,045,151	138,297,388
Equipment	284,414,885	252,682,233
	478,783,309	412,504,108
Less: Accumulated depreciation	(274,060,791)	(250,099,034)
	204,722,518	162,405,074
Construction in progress	2,127,781	45,776,965
	$ 206,850,299	$ 208,182,039

7. Long-Term Debt

	2014	2013
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 30,900,000	$ 33,625,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	-	22,990,000
CHEFA Series G revenue bonds		
3.2% Term Bonds, due 2023, option to extend 2038	29,200,000	-
CHEFA Series H revenue bonds		
Variable rate bonds, due 2023-2034	21,405,000	-
Line of credit	-	18,663,400
Tax exempt lease	9,963,984	11,596,368
Capital lease obligation	246,684	1,010,148
Total debt outstanding	111,520,668	107,689,916
Less: Amounts classified as current	5,476,980	9,347,876
Add: Bond premium	2,544,115	2,659,757
Total long-term portion of long-term debt	$ 108,587,803	$ 101,001,797

On September 15, 2011 the Connecticut Health and Education Facilities Authority ("CHEFA") issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 which began on January 1, 2012.

The Series E bonds were paid early with the issuance of CHEFA series H.

The tax exempt lease was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This lease will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $29,200,000 with an interest rate of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038.

On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank. Interest on the Series H Bonds accrues at the weekly rate and is payable on the first business day of each month commencing January 1, 2014.

Under the terms of the trust indenture for the Series H Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series H Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

The Series H Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Hospital maintains a letter of credit in the amount of $21,405,000 which expires on November 5, 2016. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are monthly installments. The Series H Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

The Corporation had a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare had a line of credit with Washington Trust for $4,860,642. This line was reissued at time of closing but was paid off in November 2013.

The fair value of the outstanding bonds is $106,215,296 and $78,820,117 at September 30, 2014 and September 30, 2013, respectively.

Principal repayments, excluding capital leases and the line of credit, are as follows:

Years	Annual Principal Repayment
2015	$ 3,660,000
2016	3,825,000
2017	4,010,000
2018	4,165,000
2019 and thereafter	85,650,000
	$ 101,310,000

Cash interest payments of $3,566,051 and $2,682,472 were made in fiscal year 2014 and 2013, respectively. No interest was capitalized during 2014 and 2013.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2014 and 2013 (measurement date of), the significant change in the actuarial loss is predominantly related to the decrease in the discount rate used to determine the benefit obligation at the end of the year:

September 30):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Change in benefit obligation				
Benefit obligation at beginning of year	$ 145,789,789	$ 147,201,452	$ 1,000,744	$ 1,289,208
Service cost	2,402,724	1,536,115	-	-
Interest cost	6,417,121	5,685,930	29,884	31,620
Employee contributions	69,839	90,611	-	-
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Actuarial (gain)/loss	9,010,698	(2,133,477)	(97,788)	(212,291)
Benefit obligation at end of year	156,674,809	145,789,789	837,437	1,000,744
Change in plan assets				
Fair value of plan assets at beginning of year	105,860,348	98,298,309	-	-
Actual return on plan assets	9,861,899	7,662,270	-	-
Employee contributions	69,839	90,611	-	-
Employer contributions	6,400,000	6,400,000	95,403	107,793
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Fair value of plan assets at end of year	115,176,724	105,860,348	-	-
Funded status of the plan	(41,498,085)	(39,929,441)	(837,437)	(1,000,744)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	41,399,294	37,006,625	(488,085)	(456,751)
Unrecognized prior service cost	79,157	190,310	-	-
Accrued benefit costs recognized in the statements of operations	$ (19,634)	$ (2,732,506)	$ (1,325,522)	$ (1,457,495)
Components of net periodic benefit costs				
Service cost	$ 2,402,724	$ 1,536,115	$ -	$ -
Interest cost	6,417,121	5,685,930	29,884	31,620
Expected return on plan assets	(7,920,200)	(7,182,524)	-	-
Amortization of net loss/(gain)	2,676,330	3,175,983	(66,454)	(45,046)
Net amortization and deferral	111,153	140,639	-	-
Benefit cost	$ 3,687,128	$ 3,356,143	$ (36,570)	$ (13,426)

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2014	2013
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2014	2013
Discount rate	4.05 %	4.51 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2014	2013
Cash	2 %	3 %
Bonds	24	23
Mutual funds	45	44
Hedge funds	29	30
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2014	$ 7,399,905
2015	7,694,336
2016	8,101,708
2017	8,234,873
2018	8,658,711
Expected aggregate for 5 fiscal years beginning 2019	47,809,642

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	94,776

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2014 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $56,000 and $71,000, respectively, at September 30, 2014 and 2013. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $51,000 and $65,000, respectively, at September 30, 2014 and 2013.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2014:

	Level 1	Level 2	Level 3	2014
Investments, at fair value				
Cash	$ 2,417,830	$ -	$ -	$ 2,417,830
Bonds	27,571,791	-	-	27,571,791
Mutual funds	46,557,396	5,171,869	-	51,729,265
Hedge funds	-	-	33,457,838	33,457,838
Total investments, at fair value	$ 76,547,017	$ 5,171,869	$ 33,457,838	$ 115,176,724

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,961	$ -	$ -	$ 3,043,961
Bonds	24,488,654	-	-	24,488,654
Mutual funds	41,860,187	4,553,588	-	46,433,775
Hedge funds	-	-	31,893,958	31,893,958
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,348

There were no transfers between levels during 2014 or 2013.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2014	2013
Beginning balances	$ 31,893,958	$ 28,795,536
Realized gains	4,588,368	33,459
Fees	(79,614)	(65,081)
Unrealized gains	(2,944,874)	3,130,044
Purchases	-	-
Sales	-	-
Ending balances	$ 33,457,838	$ 31,893,958

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,584,389 and $4,618,626 for 2014 and 2013, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $463,475 and $446,631 for the years ended September 30, 2014 and 2013, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2014	2013
Health care services	$ 348,719,365	$ 293,416,325
General and administrative	124,868,311	94,388,752
	$ 473,587,676	$ 387,805,077

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 6,917,676	$ 334,893	$ -	$ 7,252,569	$ -	$ 1,901,701	$ 950,345	$ 1,675,245	$ 4,700,669	$ -	$ 16,480,529
Investments	129,450,331	31,541,423	-	159,991,754	-	-	16,769,765	7,523,944	140,576	-	184,426,039
Patient accounts receivable, net	36,373,069	-	-	36,373,069	-	2,378,629	-	2,740,706	5,990,550	-	47,482,954
Other receivables	4,156,260	-	-	4,156,260	24,500	289,393	1,322,262	-	-	-	5,792,415
Inventories	6,580,753	-	-	6,580,753	-	-	-	-	1,812,254	-	8,393,007
Due from affiliates	1,954,838	24,500	(1,954,838)	24,500	2,215,430	-	-	-	-	(2,239,930)	-
Prepaid expenses and other current assets	2,689,506	-	-	2,689,506	-	545,698	16,143	439,051	58,427	-	3,748,725
Debt service fund	1,304,562	-	-	1,304,562	-	-	-	-	-	-	1,304,562
Total current assets	188,426,995	31,900,816	(1,954,838)	218,372,973	2,239,930	5,115,421	19,058,515	12,378,946	12,702,476	(2,239,930)	267,628,231
Assets limited as to use											
Cash	182,862	-	-	182,862	-	-	-	-	-	-	182,862
Construction funds	561,676	-	-	561,676	-	-	-	-	-	-	561,676
Investments held in trust	925,227	-	-	925,227	-	-	-	-	-	-	925,227
Endowment investments	18,987,367	3,565,739	-	22,553,106	-	-	-	6,654,619	7,433,703	-	36,641,428
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,985,614	-	-	6,985,614	-	-	-	-	4,362,996	-	11,348,610
Contributions receivable	20,366	2,750,421	-	2,770,787	-	-	-	-	750,000	-	3,520,787
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	-	-	-	-	-	-	-	-	-	-
Total assets limited as to use	27,663,112	25,597,607	-	53,260,719	-	-	-	6,654,619	12,546,699	(19,281,447)	53,180,590
Other assets											
Intangible assets, net	-			-	-	-	-	-	2,978,625	-	2,978,625
Other receivables	16,536,719	-	-	16,536,719	-	2,137,101	287,916	-	-	(16,360,950)	2,580,786
Deferred financing costs and other assets, net	2,315,752	-	-	2,315,752	-	-	-	-	-	-	2,315,752
Property, plant and equipment											
Land improvements	8,846,232	12,330,635	-	21,176,867	-	-	-	330,275	1,816,131	-	23,323,273
Buildings/leasehold improvements	150,910,346	-	-	150,910,346	-	1,046,733	-	2,238,496	16,849,576	-	171,045,151
Equipment/furniture	265,024,485	17,010	-	265,041,495	-	976,188	-	994,431	17,402,771	-	284,414,885
Accumulated depreciation	(265,615,130)	(104,684)	-	(265,719,814)	-	(973,022)	-	(1,937,034)	(5,430,921)	-	(274,060,791)
Construction in progress	1,691,863	-	-	1,691,863	-	-	-	-	435,918	-	2,127,781
Property, plant and equipment, net	160,857,796	12,242,961	-	173,100,757	-	1,049,899	-	1,626,168	31,073,475	-	206,850,299
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP0506

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 25,786,034	$ 115,609	$ -	$ 25,901,643	$ -	$ 343,515	$ 107,453	$ 1,615,548	$ 9,471,491	$ -	$ 37,529,850
Accrued vacation and sick pay	11,281,701	-	-	11,281,701	-	1,595,316	-	-	1,346,711	-	14,223,728
Salaries, wages, payroll taxes and amounts withheld from employees	5,950,567	-	-	5,950,567	-	3,536,119	-	-	1,184,830	-	10,671,516
Due to affiliates	2,215,430	1,912,595	(1,954,838)	2,173,187	66,743	-	-	-	-	(2,239,930)	-
Due to third party payors	5,165,225	-	-	5,165,225	-	-	-	234,000	1,858,724	-	7,257,949
Other current liabilities	-	-	-	-	-	-	428,096	154,457	-	-	582,553
Current portion of long-term debt	5,342,305	-	-	5,342,305	-	-	-	-	134,675	-	5,476,980
Total current liabilities	55,741,262	2,028,404	(1,954,838)	55,814,628	66,743	5,474,950	625,549	2,004,005	13,996,431	(2,239,930)	75,742,576
Accrued pension and other postretirement benefits	43,216,010	-	-	43,216,010	-	-	-	-	-	-	43,216,010
Other liabilities	20,601,530	-	-	20,601,530	-	3,744,380	17,719,560	-	1,335,389	(17,799,969)	25,610,890
Long-term debt less current portion	108,587,802	-	-	108,587,802	-	-	-	-	-	-	108,587,802
Total liabilities	228,146,604	2,028,404	(1,954,838)	228,220,170	66,743	9,219,330	18,345,109	2,004,005	15,331,820	(20,039,899)	253,157,278
Net assets											
Unrestricted	139,173,767	67,562,541	-	205,736,308	2,173,187	(916,909)	1,001,322	18,626,628	33,152,392	(17,872,428)	241,902,500
Temporarily restricted	23,432,028	150,439	-	23,582,467	-	-	-	-	1,188,220	-	24,770,687
Permanently restricted	6,047,975	-	-	6,047,975	-	-	-	27,000	9,628,843	-	15,703,818
Total net assets	167,653,770	67,712,980	-	235,366,750	2,173,187	(916,909)	1,001,322	18,655,628	43,969,455	(17,872,428)	282,377,005
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP0507

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 418,968	$ 129,669	$ -	$ 548,637	$ -	$ 2,024,446	$ 82,453	$ 783,154	$ 8,093,557	$ -	$ 11,532,247
Investments	130,950,162	29,022,418	-	159,972,580	-	-	14,317,990	7,049,416	-	-	181,339,986
Patient accounts receivable,net	33,903,908	-	-	33,903,908	-	2,259,926	-	2,471,162	5,775,458	-	44,410,454
Other receivables	3,977,343	-	-	3,977,343	559,500	280,553	504,021	-	-	-	5,321,417
Inventories	5,845,470	-	-	5,845,470	-	13,280	-	-	1,642,404	-	7,501,154
Due from affiliates	1,316,775	24,500	(1,316,775)	24,500	1,867,732	-	-	-	-	(1,892,232)	-
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097	-	586,555	2,093	420,324	291,638	-	3,557,507
Debt service fund	1,306,255	-	-	1,306,255	-	-	-	-	-	-	1,306,255
Total current assets	179,974,978	29,176,587	(1,316,775)	207,834,790	2,427,232	5,164,760	14,907,357	10,724,056	15,803,057	(1,892,232)	254,969,020
Assets limited as to use											
Cash	182,366	-	-	182,366	-	-	-	-	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685	-	-	-	-	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034	-	-	-	-	-	-	985,034
Endowment investments	17,922,954	3,300,079	-	21,223,033	-	-	-	5,961,912	6,970,851	-	34,155,796
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,773,578	-	-	6,773,578	-	-	-	-	4,182,051	-	10,956,429
Contributions receivable	20,366	1,932,627	-	1,952,993	-	-	-	-	750,000	-	2,702,993
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	2,247,255	-	-	2,247,255	-	-	-	-	-	-	2,247,255
Total assets limited as to use	37,673,238	24,514,153	-	62,187,391	-	-	-	5,961,912	11,903,702	(19,281,447)	60,771,558
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	3,352,875	-	3,352,875
Other receivables	13,694,110	-	-	13,694,110	-	1,119,441	418,675	-	-	(12,684,764)	2,547,462
Deferred financing costs and other assets, net	1,776,176	-	-	1,776,176	-	-	-	-	-	-	1,776,176
Property, plant and equipment											
Land improvements	7,343,577	12,330,635	-	19,674,212	-	-	-	330,275	1,520,000	-	21,524,487
Buildings/leasehold improvements	120,101,634	-	-	120,101,634	-	1,339,331	-	2,239,490	14,617,927	-	138,297,388
Equipment/furniture	234,099,872	21,774	-	234,121,646	-	902,509	-	647,778	16,710,300	-	252,682,233
Accumulated depreciation	(245,331,839)	(47,756)	-	(245,379,595)	-	(1,153,698)	-	(1,829,716)	(1,736,025)	-	(250,099,034)
Construction in progress	45,776,965	-	-	45,776,965	-	-	-	-	-	-	45,776,965
Property, plant and equipment, net	161,990,209	12,304,653	-	174,294,862	-	1,088,142	-	1,686,833	31,112,202	-	208,182,039
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,767,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,599,130

DOHP0508

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 24,079,687	$ 146,360	$ -	$ 24,226,047	$ -	$ 204,726	$ 75,246	$ 1,470,128	$ 16,633,323	$ -	$ 42,611,470
Accrued vacation and sick pay	11,523,272	-	-	11,523,272	-	1,057,435	-	-	-	-	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	-	-	4,495,457	-	2,351,953	-	-	3,254,244	-	10,101,654
Due to affiliates	1,667,732	758,960	(1,316,775)	1,309,917	582,315	-	-	-	-	(1,892,232)	-
Due to third party payors	3,626,094	-	-	3,626,094	-	-	-	251,000	1,793,887	-	5,670,981
Other current liabilities	-	-	-	-	-	-	13,606	109,411	-	-	123,017
Current portion of long-term debt	4,487,234	-	-	4,487,234	-	-	-	-	4,860,642	-	9,347,876
Total current liabilities	50,279,476	907,320	(1,316,775)	49,870,021	582,315	3,614,114	88,852	1,830,539	26,542,096	(1,892,232)	80,635,705
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345	-	-	-	-	-		42,309,345
Other liabilities	17,774,823	-	-	17,774,823	-	2,407,115	13,906,589	-	1,425,678	(13,837,528)	21,676,677
Long-term debt less current portion	86,439,477	13,802,758	-	100,242,235	-	-	-	-	759,562	-	101,001,797
Total liabilities	196,803,121	14,710,078	(1,316,775)	210,196,424	582,315	6,021,229	13,995,441	1,830,539	28,727,336	(15,729,760)	245,623,524
Net assets											
Unrestricted	170,160,088	50,262,836	-	220,422,924	1,844,917	1,351,114	1,330,591	16,515,262	23,195,021	(18,128,683)	246,531,146
Temporarily restricted	22,198,248	1,022,479	-	23,220,727	-	-	-	-	934,255	-	24,154,982
Permanently restricted	5,947,254	-	-	5,947,254	-	-	-	27,000	9,315,224	-	15,289,478
Total net assets	198,305,590	51,285,315	-	249,590,905	1,844,917	1,351,114	1,330,591	16,542,262	33,444,500	(18,128,683)	285,975,606
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,599,130

DOHP0509

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 337,129,192	$ -	$ -	$ 337,129,192	$ -	$ 29,333,784	$ -	$ 12,091,733	$ 74,974,391	$ -	$ 453,529,100
Provision for bad debt	(14,930,302)	-	-	(14,930,302)	-	(534,484)	-	(75,000)	(4,758,600)	-	(20,298,386)
Net revenue less provision for bad debt	322,198,890	-	-	322,198,890	-	28,799,300	-	12,016,733	70,215,791	-	433,230,714
Other operating revenues	26,151,061	2,958,303	-	31,109,364	466,265	4,787,661	5,376,504	4,140,108	2,953,560	(29,058,175)	20,795,287
Net assets released from restriction	671,797	204,406	-	876,203	-	-	-	-	-	-	876,203
	351,021,748	3,162,709	-	354,184,457	466,265	33,586,961	5,376,504	16,156,841	73,179,351	(29,058,175)	454,902,204
Operating expenses											
Salaries and wages	143,838,674	-	-	143,838,674	-	37,356,344	-	10,811,798	28,074,499	(6,613,808)	213,467,507
Employee benefits	51,044,718	-	-	51,044,718	-	6,483,061	-	2,599,219	6,454,031	(7,394,212)	59,185,837
Supplies	59,536,141	208,897	-	59,745,038	-	1,334,391	-	330,396	10,566,285	-	71,976,110
Purchased services	36,647,767	518,743	-	39,166,510	19,330	3,462,524	334,539	480,267	15,344,077	(4,332,235)	54,475,011
Other	34,490,156	42,546	-	34,532,702	122,200	7,549,748	5,486,160	937,952	4,066,583	(9,568,175)	43,427,170
Interest	3,542,721	8,500	-	3,551,221	-	-	-	-	419,698	(416,000)	3,554,919
Depreciation and amortization	22,729,464	61,692	-	22,790,176	-	234,269	-	107,318	4,347,360	-	27,479,122
	353,830,661	838,378	-	354,669,039	141,530	56,720,356	5,820,698	15,265,950	69,294,533	(29,324,430)	473,567,676
(Loss) from operations	(2,808,913)	2,324,331	-	(484,582)	344,735	(23,133,395)	(444,194)	890,891	3,884,818	266,255	(18,665,472)
Nonoperating gains											
Unrestricted investment income	180,488	-	-	180,488	-	-	-	-	-	-	180,488
Income from investments	8,608,113	355,103	-	8,963,216	-	-	203,572	852,017	13,359	-	9,832,164
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	5,284,752	-	5,284,752
	8,788,601	355,103	-	9,143,704	-	-	203,572	852,017	5,298,111	-	15,297,404
(Deficit)/excess of revenues over expenses	5,979,688	2,679,434	-	8,659,122	344,735	(23,133,395)	(240,622)	1,542,908	9,182,929	266,255	(3,368,068)
Net unrealized gains/(losses) on investments	31,059	1,515,218	-	1,546,277	-	-	(88,647)	570,458	-	-	2,028,088
Transfer to L & M Affiliate	(33,661,262)	12,237,912	-	(21,623,350)	(16,465)	20,665,372	-	-	774,443	-	-
Net assets released from restrictions used for purchases of property and equipment	139,360	867,140	-	1,006,500	-	-	-	-	-	-	1,006,500
Donated equipment	6,350	-	-	6,350	-	-	-	-	-	-	6,350
Pension related changes other than periodic pension costs	(4,281,516)	-	-	(4,281,516)	-	-	-	-	-	-	(4,281,516)
Decrease in unrestricted net assets	$ (31,986,321)	$ 17,299,704	$ -	$ (14,686,617)	$ 328,270	$ (2,468,023)	$ (329,269)	$ 2,113,366	$ 9,957,372	$ 266,255	$ (4,628,846)

DOHP0510

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 315,384,106	$ -	$ -	$ 315,384,106	$ -	$ 21,002,422	$ -	$ 10,960,237	$ 25,398,974	$ -	$ 372,745,739
Provision for bad debt	(12,127,746)	-	-	(12,127,746)	-	(315,030)	-	(75,000)	(2,038,188)	-	(14,555,970)
Net revenue less provision for bad debt	303,256,360	-	-	303,256,360	-	20,687,392	-	10,885,237	23,360,786	-	358,189,769
Other operating revenues	19,592,810	2,665,385	-	22,278,195	552,925	5,172,964	6,080,077	4,104,854	700,830	(17,440,785)	21,448,860
Net assets released from restriction	508,227	240,557	-	748,784	-	-	-	-	-	-	748,784
	323,357,397	2,925,942	-	326,283,339	552,925	25,860,350	6,080,077	14,990,091	24,061,416	(17,440,785)	380,387,413
Operating expenses											
Salaries and wages	149,825,846	-	-	149,825,846	-	25,540,185	-	10,239,995	9,459,006	(2,284,188)	193,780,844
Employee benefits	43,535,428	-	-	43,535,428	-	4,434,983	-	2,893,125	2,042,707	(4,243,899)	49,062,244
Supplies	45,171,409	241,132	-	45,412,541	-	870,017	-	268,625	2,977,900	-	49,529,083
Purchased services	23,622,138	3,294,240	-	26,916,378	19,305	1,858,333	196,254	97,756	5,341,642	(2,152,028)	32,278,640
Other	33,252,775	146,028	-	33,398,803	308,857	5,955,316	4,510,614	1,164,934	1,004,106	(9,174,608)	37,265,822
Interest	2,705,025	39,577	-	2,744,602	-	-	-	-	120,409	-	2,865,011
Depreciation and amortization	20,641,159	38,526	-	20,679,685	-	243,331	-	120,767	1,973,650	-	23,023,433
	318,753,780	3,759,503	-	322,513,283	328,162	39,903,165	4,706,868	14,611,202	23,599,420	(17,855,023)	387,805,077
Income from operations	4,603,617	(833,561)	-	3,770,056	226,763	(14,042,815)	1,373,209	378,889	461,996	414,238	(7,417,664)
Nonoperating gains											
Unrestricted investment income	122,109	-	-	122,109	-	-	-	-	-	-	122,109
Income/(loss) from investments	6,041,481	881,712	-	6,923,173	-	-	198,569	630,012	373	-	7,752,127
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	17,895,540	(16,098,758)	1,796,782
	6,163,570	881,712	-	7,045,282	-	-	198,569	630,012	17,895,913	(16,098,758)	9,671,018
Excess of revenues over expenses	10,767,187	48,151	-	10,815,338	226,763	(14,042,815)	1,571,778	1,008,901	18,357,909	(15,684,520)	2,253,354
Net unrealized (losses)/gains on investments	9,113,432	2,590,798	-	11,704,230	-	-	(141,849)	494,474	-	-	12,046,855
Transfer to L & M Affiliate	1,136,545	(21,837,640)	-	(20,701,095)	139,626	15,724,357	-	-	4,837,112	-	-
Net assets released from restrictions used for purchases of property and equipment	167,751	-	-	167,751	-	-	-	-	-	-	167,751
Donated equipment	-	-	-	-	-	-	-	-	-	-	-
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845	-	-	-	-	-	-	5,929,845
Decrease in unrestricted net assets	$ 27,114,760	$ (19,198,691)	$ -	$ 7,916,069	$ 366,389	$ 1,681,542	$ 1,429,929	$ 1,493,375	$ 23,195,021	$ (15,684,520)	$ 20,397,805

DOHP0511

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2013 and 2012

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2013 and 2012

	Page(s)
Report of Independent Auditors	1-2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–27
Consolidating Supplemental Information	
Consolidating Balance Sheets	28–31
Consolidating Statements of Operations	32–33

Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $18,372,801 and $16,783,939 as of September 30, 2013 and September 30, 2012, respectively, and total revenues of $14,990,091 and $14,726,801 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Corporation's preparation and fair presentation of the

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consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2013 and September 30, 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 28 through 33, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations. However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

January 10, 2013

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 11,532,247	$ 15,956,015
Investments	181,339,986	207,930,544
Patient accounts receivable, net of allowance for doubtful accounts of $6,158,515 and $7,078,212, respectively	42,732,035	32,312,475
Other receivables	7,868,879	6,898,102
Inventories	7,501,154	4,503,709
Prepaid expenses and other current assets	3,557,507	3,094,289
Debt service fund	1,306,255	1,307,110
Total current assets	255,838,063	272,002,244
Assets limited as to use		
Cash	182,366	180,789
Construction fund	9,541,685	-
Investments held in trust	985,034	1,471,261
Endowment investments	34,155,796	24,574,488
Funds held in trust by others	10,956,429	6,451,420
Contributions receivable	2,702,993	1,158,095
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,255	2,247,125
Total assets limited as to use	60,771,558	36,083,178
Intangibles assets, net	3,352,875	-
Deferred financing costs and other assets, net	1,776,176	1,857,504
Property, plant and equipment, net	208,182,039	148,493,609
	$ 529,920,711	$ 458,436,535
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 40,933,051	$ 27,382,558
Accrued vacation and sick pay	12,580,707	12,710,157
Salaries, wages, payroll taxes and amounts withheld from employees	10,101,654	5,389,708
Due to third party payors	5,870,981	5,646,905
Other current liabilities	123,017	358,122
Current portion of long-term debt	9,347,876	2,762,007
Total current liabilities	78,957,286	54,249,457
Accrued pension and other postretirement benefits	42,309,345	51,185,800
Other liabilities	21,676,677	20,384,647
Long-term debt less current portion	101,001,797	79,507,217
Total liabilities	243,945,105	205,327,121
Net assets		
Unrestricted	246,531,146	226,133,341
Temporarily restricted	24,154,982	21,084,266
Permanently restricted	15,289,478	5,891,807
Total net assets	285,975,606	253,109,414
	$ 529,920,711	$ 458,436,535

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statement of Operations
September 30, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 372,745,739	$ 354,042,019
Provision for bad debt	(14,555,970)	(12,408,255)
Net revenue less provision for bad debt	358,189,769	341,633,764
Other operating revenues	21,448,860	14,772,422
Net assets released from restriction used for operations	748,784	1,308,521
Total unrestricted revenues, gains and other support	380,387,413	357,714,707
Expenses		
Salaries and wages	193,780,844	180,787,943
Employee benefits	49,062,244	45,920,442
Supplies	49,529,083	49,112,557
Purchased services	32,278,640	27,928,678
Other	37,265,822	31,685,722
Interest	2,865,011	2,316,341
Depreciation and amortization	23,023,433	19,255,553
Total expenses	387,805,077	357,007,236
(Loss)/income from operations	(7,417,664)	707,471
Nonoperating gains		
Unrestricted investment income	122,109	160,370
Income from investments	7,752,127	6,853,490
Inherent contribution received from purchase of Westerly Hospital	1,796,782	-
Total nonoperating gains	9,671,018	7,013,860
Excess of revenues over expenses	2,253,354	7,721,331
Net unrealized gains on investments	12,046,855	14,630,156
Net assets released from restrictions used for purchase of property, plant and equipment	167,751	136,178
Transfer of net assets to L & M Indemnity	-	(1,673,732)
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	$ 20,397,805	$ 10,062,689

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
September 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Excess of revenues over expenses	$ 2,253,354	$ 7,721,331
Net unrealized gains on investments	12,046,855	14,630,156
Net assets released from restrictions used for purchase of property, plant and equipment	167,751	136,178
Transfer of net assets to L & M Indemnity	-	(1,673,732)
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	20,397,805	10,062,689
Beginning of year unrestricted net assets	226,133,341	216,070,652
End of year unrestricted net assets	$ 246,531,146	$ 226,133,341
Temporarily restricted net assets		
Income from investments	$ 668,022	$ 357,100
Net assets released from restrictions	(916,535)	(1,444,699)
Inherent contribution received from purchase of Westerly Hospital	871,209	
Contributions received	506,462	880,693
Change in value of funds held in trust by others	1,701,848	1,877,872
Net realized and unrealized gains on investments	239,710	488,575
Increase in temporarily restricted net assets	3,070,716	2,159,541
Temporarily restricted net assets		
Beginning of year	21,084,266	18,924,725
End of year	$ 24,154,982	$ 21,084,266
Permanently restricted net assets		
Income from investments	$ 13,823	$ -
Inherent contribution received from purchase of Westerly Hospital	9,343,478	-
Contributions received	22,888	-
Change in value of funds held in trust by others	17,482	354,949
Increase in permanently restricted net assets	9,397,671	354,949
Permanently restricted net assets		
Beginning of year	5,891,807	5,536,858
End of year	15,289,478	5,891,807
Increase in net assets	$ 32,866,192	$ 12,577,179

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	$ 32,866,192	$ 12,577,179
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	23,023,433	19,255,553
Net unrealized and realized gains on investments	(13,495,284)	(15,197,004)
Inherent contribution received from purchase of Westerly Hospital	(12,011,469)	-
Provision for bad debts	14,555,970	12,408,255
Increase in funds held in trust by others	(257,193)	(843,487)
Increase in contributions receivable	(794,898)	(270,627)
Restricted contributions	(1,174,484)	(1,237,793)
Changes in other operating accounts		
Patient accounts receivable, net	(20,317,347)	(12,601,784)
Other receivables, net	(970,777)	(2,303,561)
Inventories	(1,447,315)	48,902
Prepaid expenses and other current assets	(137,568)	(753,883)
Deferred financing costs and other assets	81,328	81,329
Accounts payable	(2,523,188)	4,658,535
Accrued vacation and sick pay	(1,558,312)	1,004,346
Salaries, wages, payroll taxes and amounts withheld from employees	3,652,618	1,812,014
Due to affiliates	-	(98,310)
Due to third party payors	(1,632,875)	(2,394,117)
Pension, postretirement and other liabilities	(9,245,208)	14,158,664
Net cash provided by operating activities	8,613,623	30,304,211
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(50,503,163)	(34,610,790)
Purchases of investments	(78,938,843)	(147,075,307)
Sales of investments	107,257,276	125,359,995
Purchase of Westerly Hospital	(14,535,558)	-
Decrease/(increase) in debt service fund	855	(197,218)
(Decrease)/increase in funds held in escrow	(130)	245
Net cash used in investing activities	(36,719,563)	(56,523,075)
Cash flows from financing activities		
Restricted contributions	1,174,484	1,237,793
Principal payments of long term debt	(2,938,881)	(2,957,189)
Proceeds of long term debt	25,446,569	-
Net cash provided by/(used in) financing activities	23,682,172	(1,719,396)
Net decrease in cash and cash equivalents	(4,423,768)	(27,938,260)
Cash and cash equivalents		
Beginning of year	15,956,015	43,894,275
End of year	$ 11,532,247	$ 15,956,015
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 2,105,176	$ 3,126,751
Contributed securities	$ 1,174,484	$ 1,237,793

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, The Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

As part of the purchase agreement the Corporation agreed to fund $30 million in capital costs for Westerly Hospital over five years after the closing, and agreed to provide up to $6.5 million of working capital for Westerly Hospital over the first two years after the closing.

The fair value of assets and liabilities acquired under this transaction as of June 1, 2013 are as follows:

	2013
Cash	$ 1,563,200
Patient accounts receivable	4,658,183
Inventories	1,550,130
Pledges	750,000
Prepaid expenses	325,650
Investments	6,870,933
Assets held in trust	4,247,816
Intangible assets	3,690,000
Property, plant & equipment	30,850,000
Total assets	54,505,912
Accrued compensation	2,488,190
Accounts payable and accrued expenses	15,052,105
Due to third parties	1,856,951
Asset retirement obligation	1,425,678
Debt	5,572,761
Total liabilities	26,395,685
Net assets acquired	$ 28,110,227

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation is preliminary and may get adjusted as additional information is obtained.

Intangible assets acquired in conjunction with the Westerly acquisition include:

	Fair value as of June 1, 2013	Amortization period (in years)	
Patient relationships	$ 1,530,000	10.0	
Medical records	1,350,000	10.0	
Trademark	810,000	8.0	
	$ 3,690,000	9.5	(weighted average)

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by

engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2013 or 2012.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts,

unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 10, 2014, which is the date the financial statements were issued.

The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. Contract negotiations will be resumed in February 2014. In response to the strike, the Hospital initially curtailed services in its Intensive Care Unit and for elective surgeries, both of which are being gradually returned to full service. The Hospital is monitoring the negative impact of the strike and lockout on both revenues and expenses. Negotiations with the two unions are ongoing, however, no assurance can be given regarding the outcome of such negotiations.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2013	2012
Gross charges from services to patients	$ 837,486,803	$ 742,404,745
Less: Charity care	7,772,037	5,942,442
Charges from services to patients, net of charity care	829,714,766	736,462,303
Deductions		
Allowances	455,921,391	384,999,411
State of Connecticut uncompensated care system (receipts)	1,047,636	(2,579,127)
Total deductions	456,969,027	382,420,284
Net revenues from services to patients	$ 372,745,739	$ 354,042,019

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. The impact to L + M Hospital in Fiscal Year 2013 is a reduction of $3,000,000, with further reductions expected to occur in Fiscal Year 2014 and 2015. In 2013, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Fiscal year 2013 resulted in a decrease in net revenue whereas fiscal year 2012 was an increase to net revenue.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $1,126,576 and $4,271,085 in 2013 and 2012, respectively.

During 2013 and 2012, approximately 33%, respectively, of net patient service revenue was received under the Medicare program, and 12% and 11%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenues for financial reporting purposes.

3. Investments

Investments included in current assets consist of the following:

	2013	2012
Endowment investments		
Cash and cash equivalents	$ 3,785,088	$ 464,020
Bonds	4,823,170	4,338,010
Mutual funds	13,492,698	11,929,272
Hedge funds	5,961,109	5,272,803
Private equities	112,204	48,848
Marketable equities	5,981,527	2,521,535
Total endowment investments	34,155,796	24,574,488
Funds held in trust by others		
Investments held in trust by others	10,956,429	6,451,420
Total funds held in trust by others	10,956,429	6,451,420
Investments		
Cash and cash equivalents	3,618,554	13,176,141
Bonds	38,890,479	75,259,899
Mutual funds	2,172,231	2,951,720
Hedge funds	54,766,338	49,723,327
Private equities	1,884,631	438,410
Marketable equities	80,007,753	66,381,047
Total investments	181,339,986	207,930,544
Total investments at fair value	$ 226,452,211	$ 238,956,452

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment investments				
Cash and cash equivalents	$ 3,785,088	$ -	$ -	$ 3,785,088
Bonds	3,185,997	1,425,678	211,495	4,823,170
Mutual funds	12,044,760	-	1,447,938	13,492,698
Hedge funds	-	-	5,961,109	5,961,109
Private equities	-	-	112,204	112,204
Marketable equities	5,981,527	-	-	5,981,527
Total pooled endowment funds	24,997,372	1,425,678	7,732,746	34,155,796
Funds held in trust by others				
Investments held in trust by others	-	-	10,956,429	10,956,429
Total held in trust by others	-	-	10,956,429	10,956,429
Other investments				
Cash and cash equivalents	3,618,554	-	-	3,618,554
Bonds	32,082,552	6,807,927	-	38,890,479
Mutual funds	2,172,231	-	-	2,172,231
Hedge funds	-	-	54,766,338	54,766,338
Private equities	-	-	1,884,631	1,884,631
Marketable equities	80,007,753	-	-	80,007,753
Total other investments	117,881,090	6,807,927	56,650,969	181,339,986
Total Investments at fair value	$ 142,878,462	$ 8,233,605	$ 75,340,144	$ 226,452,211

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment Investments				
Cash and cash equivalents	$ 464,020	$ -	$ -	$ 464,020
Bonds	3,995,977		342,033	4,338,010
Mutual funds	11,143,120	-	786,152	11,929,272
Hedge funds	-	-	5,272,803	5,272,803
Private equities	-	-	48,848	48,848
Marketable equities	2,521,535	-	-	2,521,535
Total pooled endowment funds	18,124,652	-	6,449,836	24,574,488
Funds held in trust by others				
Investments held in trust by others	-	-	6,451,420	6,451,420
Total held in trust by others	-	-	6,451,420	6,451,420
Other investments				
Cash and cash equivalents	13,176,141	-	-	13,176,141
Bonds	75,259,899	-	-	75,259,899
Mutual funds	2,951,720	-	-	2,951,720
Hedge funds	-	-	49,723,327	49,723,327
Private equities	-	-	438,410	438,410
Marketable equities	66,381,047	-	-	66,381,047
Total other investments	157,768,807	-	50,161,737	207,930,544
	$ 175,893,459	$ -	$ 63,062,993	$ 238,956,452

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

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

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 56,124,316	$ 354,977	$ 1,118,631	$ 5,509,944	$ (131,712)	$ 1,037,765	$ (1,627,061)	$ 62,386,860
Private equities	487,257	-	67,055	122,281	(63,590)	1,398,832	(15,000)	1,996,835
Funds held in trust	6,451,420	-	-	322,158	(64,965)	4,247,816	-	10,956,429
Total	$ 63,062,993	$ 354,977	$ 1,185,686	$ 5,954,383	$ (260,267)	$ 6,684,433	$ (1,642,061)	$ 75,340,144

	Beginning October 1, 2011	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2012
Investment pool								
Hedge funds	$ 52,597,785	$ 373,856	$ 2,177,075	$ 1,533,011	$ (110,436)	$ 13,343,878	$ (13,790,853)	$ 56,124,316
Private equities	94,306	-	128	3,359	(53,624)	443,088	-	487,257
Funds held in trust	5,607,933	-	-	843,487	-	-	-	6,451,420
Total	$ 58,300,024	$ 373,856	$ 2,177,203	$ 2,379,857	$ (164,060)	$ 13,786,966	$ (13,790,853)	$ 63,062,993

There were no significant transfers of assets between levels for the year ended September 30, 2013.

A summary of the endowment investment return is presented below:

	2013	2012
Investment income	$ 649,876	$ 610,571
Realized and unrealized gains	2,225,435	2,657,538
Management fees and other costs	(47,805)	(31,626)
Total return on endowment investments	$ 2,827,506	$ 3,236,483

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2013.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 14,809,395	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	18,451,073	7	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	23,640,230	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	5,486,182	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	1,981,731	2	N/A		Illiquid long term 5 years	None	None	None
		$ 64,368,611							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.
- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043
Addition of Westerly Hospital Endowment Net Assets	1,714,560	810,769	4,345,662	6,870,991
Investment return				
Investment income	287,500	161,761	(748)	448,513
Net realized and unrealized gain	451,980	1,701,848	14,570	2,168,398
Contributions	126,620	-	22,888	149,508
Total investment return	866,100	1,863,609	36,710	2,766,419
Income distribution	-	(129,592)	-	(129,592)
Endowment net assets at end of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 5,952,776	$ 11,788,979	$ 2,866,683	$ 20,608,438
Investment return				
Investment income	436,096	91,840	-	527,936
Net realized and unrealized (loss)/gain	288,052	1,877,872	-	2,165,924
Total investment return	724,148	1,969,712	-	2,693,860
Income distribution	-	(125,255)	-	(125,255)
Endowment net assets at end of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2013	2012
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 16,178,222	$ 13,633,436
Total endowment funds classified as temporarily restricted net assets	$ 16,178,222	$ 13,633,436
Permanently restricted net assets		
Corpus of permanently restricted contributions for purchase of equipment and healthcare services	$ 7,249,055	$ 2,866,683
Total endowment funds classified as permanently restricted net assets	$ 7,249,055	$ 2,866,683

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2013 and 2012.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2013 and 2012:

	2013	2012
Temporarily restricted net assets		
Funds held in trust by others	$ 3,687,812	$ 3,448,102
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	15,304,434	13,633,436
Specific purpose reserves	5,142,370	3,982,362
	$ 24,154,982	$ 21,084,266

Permanently restricted net assets at September 30, 2013 and 2012 are restricted to:

	2013	2012
Permanently restricted net assets		
Funds held in trust by others	$ 7,290,422	$ 3,025,124
Donor restricted endowment funds	7,999,056	2,866,683
	$ 15,289,478	$ 5,891,807

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2013	2012
Land and land improvements	$ 21,524,487	$ 18,000,459
Buildings	138,297,388	118,209,994
Equipment	252,682,233	217,351,555
	412,504,108	353,562,008
Less: Accumulated depreciation	(250,099,034)	(227,405,684)
	162,405,074	126,156,324
Construction in progress (estimated cost to complete at September 30, 2013 is $17,612,963 unaudited)	45,776,965	22,337,285
	$ 208,182,039	$ 148,493,609

7. Long-Term Debt

	2013	2012
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 33,625,000	$ 36,250,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	22,990,000	22,990,000
Line of credit	18,663,400	-
Tax exempt lease	11,596,368	-
Capital lease obligation	1,010,148	448,826
Total debt outstanding	107,689,916	79,493,826
Less: Amounts classified as current	9,347,876	2,762,007
Add: Bond premium	2,659,757	2,775,398
Total long-term portion of long-term debt	$ 101,001,797	$ 79,507,217

On September 15, 2011 the Connecticut Health and Education Facilities Authority (CHEFA) issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st commencing July 1, 2013. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 beginning January 1, 2012.

On June 24, 2004 CHEFA issued $22,990,000 of Series E Bonds (the "Series E Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series E Bond agreements). The Series E Bonds are structured with a term bond due July 1, 2034, with annual sinking fund payments due each July 1st commencing July 1, 2003. Interest on the Series E Bonds accrues at the weekly rate and is payable on the first business day of each month commencing July 1, 2004.

Under the terms of the trust indenture for the Series E Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series E bonds. The bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts (as defined) and certain real property of the Hospital and Corporation.

The Series E Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Corporation maintains a letter of credit in the amount of $22,900,000 which expires on December 31, 2014. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are equal quarterly installments beginning in the first quarter that is at least 367 days after the initial draw down on the letter of credit. The Series E Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

In accordance with the long-term loan agreement with CHEFA, certain trustee funds are required to be maintained. These funds provide for debt service and other related payments. The income derived from these funds is required to be reinvested in the trustee funds and is not available for current operating purposes.

The fair value of the Series E Bonds, using discounted cash flow analyses, approximates carrying value. The fair value of the Series F Bonds using discounted cash flows was $55,830,117.25 and $62,036,108.50 for years ending September 30, 2013 and September 30, 2012 respectively.

The tax exempt lease (the "Easy Loan") was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This loan will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

The Corporation has a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare has a line of credit

with Washington Trust for $4,860,642. This line was reissued at time of closing but has been paid off as a subsequent event in November 2013.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $30,000,000 with an interest of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038. On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank.

Principal repayments, excluding capital leases and the line of credit, are as follows:

Years	Annual Principal Repayment
2014	$ 2,725,000
2015	2,835,000
2016	2,975,000
2017	3,130,000
2018 and thereafter	64,755,000
	$ 76,420,000

Cash interest payments of $2,682,472 and $2,118,293 were made in fiscal year 2013 and 2012, respectively. No interest was capitalized during 2013 and 2012.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2013 and 2012 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	$ 147,201,452	$ 126,663,537	$ 1,289,208	$ 1,167,001
Service cost	1,536,115	1,555,388	-	-
Interest cost	5,685,930	6,610,881	31,620	59,302
Employee contributions	90,611	118,336	-	-
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Actuarial (gain)/loss	(2,133,477)	18,467,849	(212,291)	166,929
Benefit obligation at end of year	145,789,789	147,201,452	1,000,744	1,289,208
Change in plan assets				
Fair value of plan assets at beginning of year	98,298,309	85,487,585	-	-
Actual return on plan assets	7,662,270	11,886,927	-	-
Employee contributions	90,611	118,336	-	-
Employer contributions	6,400,000	7,020,000	107,793	124,024
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Fair value of plan assets at end of year	105,860,348	98,298,309	-	-
Funded status of the plan	(39,929,441)	(48,903,143)	(1,000,744)	(1,289,208)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	37,006,625	42,795,831	(456,751)	(289,506)
Unrecognized prior service cost	190,310	330,949	-	-
Accrued benefit costs recognized in the statements of operations	$ (2,732,506)	$ (5,776,363)	$ (1,457,495)	$ (1,578,714)
Components of net periodic benefit costs				
Service cost	$ 1,536,115	$ 1,555,388	$ -	$ -
Interest cost	5,685,930	6,610,881	31,620	59,302
Expected return on plan assets	(7,182,524)	(6,465,227)	-	-
Amortization of net loss/(gain)	3,175,983	2,154,266	(45,046)	(49,599)
Net amortization and deferral	140,639	140,639	-	-
Benefit cost	$ 3,356,143	$ 3,995,947	$ (13,426)	$ 9,703

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2013	2012
Discount rate	3.95 %	5.34 %
Average rate of compensation increases	2.50 %	3.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2013	2012
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2013	2012
Cash	3 %	5 %
Bonds	23	29
Hedge funds	30	29
Marketable equities	44	37
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2013	$ 6,998,164
2014	7,263,769
2015	7,511,189
2016	7,928,299
2017	8,074,614
Expected aggregate for 5 fiscal years beginning 2018	44,653,466

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	108,195

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2013 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $71,000 and $97,000, respectively, at September 30, 2013 and 2012. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $65,000 and $88,000, respectively, at September 30, 2013 and 2012.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,961	$ -	$ -	$ 3,043,961
Bonds	24,488,654	-	-	24,488,654
Hedge funds	-	-	31,893,958	31,893,958
Marketable equities	41,880,187	4,553,588	-	46,433,775
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,348

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2012:

	Level 1	Level 2	Level 3	2012
Investments, at fair value				
Cash	$ 4,711,241	$ -	$ -	$ 4,711,241
Bonds	28,278,732	-	-	28,278,732
Hedge funds	-	-	28,795,536	28,795,536
Marketable equities	32,342,939	4,169,861	-	36,512,800
Total investments, at fair value	$ 65,332,912	$ 4,169,861	$ 28,795,536	$ 98,298,309

There were no transfers between levels during 2013 or 2012.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2013	2012
Beginning balances	$ 28,795,536	$ 26,524,387
Realized gains	33,459	144,819
Fees	(65,081)	(54,861)
Unrealized gains	3,130,044	2,181,191
Purchases	-	5,475,369
Sales	-	(5,475,369)
Ending balances	$ 31,893,958	$ 28,795,536

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,618,626 and $4,270,327 for 2013 and 2012, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $446,631 and $437,911 for the years ended September 30, 2013 and 2012, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2013	2012
Health care services	$ 293,416,325	$ 270,348,417
General and administrative	94,388,752	86,658,819
	$ 387,805,077	$ 357,007,236

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 418,968	$ 129,669	$ -	$ 548,637	$ -	$ 2,024,446	$ 82,453	$ 783,154	$ 8,093,557	$ -	$ 11,532,247
Investments	130,950,162	29,022,418	-	159,972,580	-	-	14,317,990	7,049,416	-	-	181,339,986
Patient accounts receivable,net	33,903,908	-	-	33,903,908	-	2,259,926	-	2,471,162	4,097,039	-	42,732,035
Other receivables	17,671,453	-	-	17,671,453	559,500	1,399,994	922,696	-	-	(12,684,764)	7,868,879
Inventories	5,845,470	-	-	5,845,470	-	13,280	-	-	1,642,404	-	7,501,154
Due from affiliates	1,316,775	24,500	(1,316,775)	24,500	1,867,732	-	-	-	-	(1,892,232)	-
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097	-	586,555	2,893	420,324	291,638	-	3,557,507
Debt service fund	1,306,255	-	-	1,306,255	-	-	-	-	-	-	1,306,255
Total current assets	193,669,088	29,176,587	(1,316,775)	221,528,900	2,427,232	6,284,201	15,326,032	10,724,056	14,124,638	(14,576,996)	255,838,063
Assets limited as to use											
Cash	182,366	-	-	182,366	-	-	-	-	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685	-	-	-	-	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034	-	-	-	-	-	-	985,034
Endowment investments	17,922,954	3,300,079	-	21,223,033	-	-	-	5,961,912	6,970,851	-	34,155,796
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,773,578	-	-	6,773,578	-	-	-	-	4,182,851	-	10,956,429
Contributions receivable	20,366	1,932,627	-	1,952,993	-	-	-	-	750,000	-	2,702,993
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,255	-	-	2,247,255	-	-	-	-	-	-	2,247,255
Total assets limited as to use	37,673,238	24,514,153	-	62,187,391	-	-	-	5,961,912	11,903,702	(19,281,447)	60,771,558
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	3,352,875	-	3,352,875
Deferred financing costs and other assets, net	1,776,176	-	-	1,776,176	-	-	-	-	-	-	1,776,176
Property, plant and equipment											
Land improvements	7,343,577	12,330,635	-	19,674,212	-	-	-	330,275	1,520,000	-	21,524,487
Buildings/leasehold improvements	120,101,634	-	-	120,101,634	-	1,339,331	-	2,238,496	14,617,927	-	138,297,388
Equipment/furniture	234,099,872	21,774	-	234,121,646	-	902,509	-	947,778	16,710,300	-	252,682,233
Accumulated depreciation	(245,331,639)	(47,756)	-	(245,379,595)	-	(1,153,698)	-	(1,829,716)	(1,736,025)	-	(250,099,034)
Construction in progress	45,776,965	-	-	45,776,965	-	-	-	-	-	-	45,776,965
Property, plant and equipment, net	161,990,209	12,304,653	-	174,294,862	-	1,088,142	-	1,686,833	31,112,202	-	208,182,039
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 60,493,417	$ (33,858,443)	$ 529,920,711

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 24,079,687	$ 148,360	$ -	$ 24,228,047	$ -	$ 204,726	$ 75,246	$ 1,470,128	$ 14,954,904	$ -	$ 40,933,051
Accrued vacation and sick pay	11,523,272	-	-	11,523,272	-	1,057,435	-	-	-	-	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	-	-	4,495,457	-	2,351,953	-	-	3,254,244	-	10,101,654
	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	1,867,732	758,960	(1,316,775)	1,309,917	582,315	-	-	-	-	(1,892,232)	-
Due to third party payors	3,826,094	-	-	3,826,094	-	-	-	251,000	1,793,887	-	5,870,981
Other current liabilities	-	-	-	-	-	-	13,606	109,411	-	-	123,017
Current portion of long-term debt	4,467,234	-	-	4,467,234	-	-	-	-	4,860,642	-	9,347,876
Total current liabilities	50,279,476	907,320	(1,316,775)	49,870,021	582,315	3,614,114	88,852	1,830,539	24,863,677	(1,892,232)	78,957,286
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345	-	-	-	-	-		42,309,345
Other liabilities	17,774,823	-	-	17,774,823	-	2,407,115	13,906,589	-	1,425,678	(13,837,528)	21,676,677
Long-term debt less current portion	86,439,477	13,802,758	-	100,242,235	-	-	-	-	759,562	-	101,001,797
Total liabilities	196,803,121	14,710,078	(1,316,775)	210,196,424	582,315	6,021,229	13,995,441	1,830,539	27,048,917	(15,729,760)	243,945,105
Net assets											
Unrestricted	170,160,088	50,262,836	-	220,422,924	1,844,917	1,351,114	1,330,591	16,515,262	23,195,021	(18,128,683)	246,531,146
Temporarily restricted	22,198,248	1,022,479	-	23,220,727	-	-	-	-	934,255	-	24,154,982
Permanently restricted	5,947,254	-	-	5,947,254	-	-	-	27,000	9,315,224	-	15,289,478
Total net assets	198,305,590	51,285,315	-	249,590,905	1,844,917	1,351,114	1,330,591	16,542,262	33,444,500	(18,128,683)	285,975,606
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 60,493,417	$ (33,858,443)	$ 529,920,711

DOHP0542

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 13,709,499	$ 907,448	$ -	$ 14,616,947	$ -	$ 502,009	$ 226,549	$ 610,510	$ -	$ 15,956,015
Investments	138,433,638	49,793,622	-	188,227,260	-	-	13,137,635	6,565,649	-	207,930,544
Patient accounts receivable,net	28,946,593	-	-	28,946,593	-	1,246,803	-	2,119,079	-	32,312,475
Other receivables	17,488,730	-	-	17,488,730	509,500	953,156	483,133		(12,536,417)	6,898,102
Inventories	4,469,470	-	-	4,469,470	-	34,239	-	-	-	4,503,709
Due from affiliates	639,799	812,417	(639,799)	812,417	1,633,327	-	-	-	(2,445,744)	-
Prepaid expenses and other current assets	2,004,576	210,000	-	2,214,576	-	531,732	2,862	345,119		3,094,289
Debt service fund	1,307,110	-	-	1,307,110	-	-	-	-	-	1,307,110
Total current assets	206,999,415	51,723,487	(639,799)	258,083,103	2,142,827	3,267,939	13,850,179	9,640,357	(14,982,161)	272,002,244
Assets limited as to use										
Cash	180,789	-	-	180,789	-	-	-	-	-	180,789
Investments held in trust	971,261	500,000	-	1,471,261	-	-	-	-	-	1,471,261
Endowment investments	16,251,376	2,946,028	-	19,197,404	-	-	-	5,377,084	-	24,574,488
Investment in subsidiaries	-	3,182,689	-	3,182,689	-	-	-	-	(3,182,689)	-
Funds held in trust by others	6,451,420	-	-	6,451,420	-	-	-	-	-	6,451,420
Contributions receivable	20,366	1,137,729	-	1,158,095	-	-	-	-	-	1,158,095
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	-	-	2,247,125	-	-	-	-	-	2,247,125
Total assets limited as to use	26,122,337	7,766,446	-	33,888,783	-	-	-	5,377,084	(3,182,689)	36,083,178
Other assets										
Deferred financing costs and other assets, net	1,857,504	-	-	1,857,504	-	-	-	-	-	1,857,504
Property, plant and equipment										
Land improvements	6,573,393	11,096,791	-	17,670,184	-	-	-	330,275	-	18,000,459
Buildings/leasehold improvements	114,978,768	148,821	-	115,127,589	-	669,622	-	2,212,783	-	118,209,994
Equipment/furniture	215,747,098	21,774	-	215,768,872	-	656,294	-	926,389	-	217,351,555
Accumulated depreciation	(224,709,996)	(82,371)	-	(224,792,367)	-	(910,368)	-	(1,702,949)	-	(227,405,684)
Construction in progress	22,337,285	-	-	22,337,285	-	-	-	-	-	22,337,285
Property, plant and equipment, net	134,926,548	11,185,015	-	146,111,563	-	615,548	-	1,766,496	-	148,493,609
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 458,436,535

DOHP0543

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	$ 25,447,360	$ 221,394	$ -	$ 25,668,774	$ -	$ 322,235	$ 63,701	$ 1,327,848	$ -	$ 27,382,558
Accrued vacation and sick pay	12,283,930	-	-	12,283,930	-	426,227	-	-	-	12,710,157
Salaries, wages, payroll taxes and amounts withheld from employees	3,887,888	-	-	3,887,888	-	1,501,820	-	-	-	5,389,708
Due to affiliates	-	-	-	-	-	-	-	-	-	-
Due to third party payors	2,421,244	-	(639,799)	1,781,445	664,299	-	-	-	(2,445,744)	-
Other current liabilities	5,409,556	-	-	5,409,556	-	-	-	237,349	-	5,646,905
Current portion of long-term debt	-	-	-	-	-	-	188,267	169,855	-	358,122
Total current liabilities	2,762,007	-	-	2,762,007	-	-	-	-	-	2,762,007
	52,212,005	221,394	(639,799)	51,793,600	664,299	2,250,282	251,968	1,735,052	(2,445,744)	54,249,457
Accrued pension and other postretirement benefits	51,185,800	-	-	51,185,800	-	-	-	-	-	51,185,800
Other liabilities	17,998,408	-	-	17,998,408	-	1,963,633	13,697,549	-	(13,274,943)	20,384,647
Long-term debt less current portion	79,507,217	-	-	79,507,217	-	-	-	-	-	79,507,217
Total liabilities	200,903,430	221,394	(639,799)	200,485,025	664,299	4,213,915	13,949,517	1,735,052	(15,720,687)	205,327,121
Net assets										
Unrestricted	143,045,328	69,461,527	-	212,506,855	1,478,528	(330,428)	(99,338)	15,021,887	(2,444,163)	226,133,341
Temporarily restricted	20,092,239	992,027	-	21,084,266	-	-	-	-	-	21,084,266
Permanently restricted	5,864,807	-	-	5,864,807	-	-	-	27,000	-	5,891,807
Total net assets	169,002,374	70,453,554	-	239,455,928	1,478,528	(330,428)	(99,338)	15,048,887	(2,444,163)	253,109,414
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 458,436,535

DOHP0544

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 315,384,106	$ -	$ -	$ 315,384,106	$ -	$ 21,002,422	$ -	$ 10,960,237	$ 25,398,974	$ -	$ 372,745,739
Provision for bad debt	(12,127,746)	-	-	(12,127,746)	-	(315,036)	-	(75,000)	(2,036,188)	-	(14,555,970)
Net revenue less provision for bad debt	303,256,360	-	-	303,256,360	-	20,687,386	-	10,885,237	23,360,786	-	358,189,769
Other operating revenues	19,592,810	2,685,385	-	22,278,195	552,925	5,172,964	6,080,077	4,104,854	700,630	(17,440,785)	21,448,860
Net assets released from restriction	508,227	240,557	-	748,784	-	-	-	-	-	-	748,784
	323,357,397	2,925,942	-	326,283,339	552,925	25,860,350	6,080,077	14,990,091	24,061,416	(17,440,785)	380,387,413
Operating expenses											
Salaries and wages	149,825,846	-	-	149,825,846	-	26,540,185	-	10,239,995	9,459,006	(2,284,188)	193,780,844
Employee benefits	43,535,428	-	-	43,535,428	-	4,434,983	-	2,693,125	2,642,707	(4,243,999)	49,062,244
Supplies	45,171,409	241,132	-	45,412,541	-	870,017	-	268,625	2,977,900	-	49,529,083
Purchased services	23,622,138	3,294,240	-	26,916,378	19,305	1,859,333	196,254	97,756	5,341,642	(2,152,028)	32,278,640
Other	33,252,775	146,028	-	33,398,803	306,857	5,955,316	4,510,614	1,184,934	1,084,106	(9,174,808)	37,265,822
Interest	2,705,025	39,577	-	2,744,602	-	-	-	-	120,409	-	2,865,011
Depreciation and amortization	20,641,159	38,526	-	20,679,685	-	243,331	-	126,767	1,973,650	-	23,023,433
	318,753,780	3,759,503	-	322,513,283	326,162	39,903,165	4,706,868	14,611,202	23,599,420	(17,855,023)	387,805,077
Income from operations	4,603,617	(833,561)	-	3,770,056	226,763	(14,042,815)	1,373,209	378,889	461,996	414,238	(7,417,664)
Nonoperating gains											
Unrestricted investment income	122,109	-	-	122,109	-	-	-	-	-	-	122,109
Income/(loss) from investments	6,041,461	881,712	-	6,923,173	-	-	198,569	630,012	373	-	7,752,127
Inherent contribution received from purchase of Westerly Hospital	-	-	-		-	-	-	-	17,895,540	(16,098,758)	1,796,782
	6,163,570	881,712	-	7,045,282	-	-	198,569	630,012	17,895,913	(16,098,758)	9,671,018
Excess of revenues over expenses	10,767,187	48,151	-	10,815,338	226,763	(14,042,815)	1,571,778	1,008,901	18,357,909	(15,684,520)	2,253,354
Net unrealized (losses)/gains on investments	9,113,432	2,590,798	-	11,704,230	-	-	(141,849)	484,474	-	-	12,046,855
Transfer to L & M Affiliate	1,136,545	(21,837,640)	-	(20,701,095)	139,626	15,724,357	-	-	4,837,112	-	-
Net assets released from restrictions used for purchases of property and equipment	167,751	-	-	167,751	-	-	-	-	-	-	167,751
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845	-	-	-	-	-	-	5,929,845
Decrease in unrestricted net assets	$ 27,114,760	$ (19,198,691)	$ -	$ 7,916,069	$ 366,389	$ 1,681,542	$ 1,429,929	$ 1,493,375	$ 23,195,021	$ (15,684,520)	$ 20,397,805

DOHP0545

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 329,278,379	$ -	$ -	$ 329,278,379	$ -	$ 13,740,606	$ -	$ 11,023,034	$ -	$ 354,042,019
Provision for bad debt	(12,114,319)	-	-	(12,114,319)	-	(205,324)	-	(86,612)	-	(12,406,255)
Net revenue less provision for bad debt	317,164,060	-	-	317,164,060	-	13,535,282	-	10,934,422	-	341,633,764
Other operating revenues	11,277,917	2,850,055	-	14,127,972	584,822	2,464,499	4,758,259	3,792,379	(10,955,509)	14,772,422
Net assets released from restriction	449,575	858,946	-	1,308,521	-	-	-	-	-	1,308,521
	328,891,552	3,709,001	-	332,600,553	584,822	15,999,781	4,758,259	14,726,801	(10,955,509)	357,714,707
Operating expenses										
Salaries and wages	152,912,737	-	-	152,912,737	-	19,234,424	-	9,996,589	(1,355,807)	180,787,943
Employee benefits	42,122,837	-	-	42,122,837	109,556	3,410,611	-	2,607,582	(2,330,144)	45,920,442
Supplies	46,248,498	858,934	-	47,107,432	-	763,510	-	1,247,370	(5,755)	49,112,557
Purchased services	24,623,743	2,933,053	-	27,556,796	30,391	1,125,676	198,181	371,566	(1,353,932)	27,928,678
Other	28,877,147	50,749	-	28,927,896	-	4,517,628	4,888,595	-	(6,648,397)	31,685,722
Interest	2,315,992	-	-	2,315,992	156	193	-	-	-	2,316,341
Depreciation and amortization	18,825,589	7,680	-	18,833,269	-	243,914	-	178,370	-	19,255,553
	315,926,543	3,850,416	-	319,776,959	140,103	29,295,956	5,086,776	14,401,477	(11,694,035)	357,007,236
Income from operations	12,965,009	(141,415)	-	12,823,594	444,719	(13,296,175)	(328,517)	325,324	738,526	707,471
Nonoperating gains										
Unrestricted investment income	160,370	-	-	160,370	-	-	-	-	-	160,370
Income/(loss) from investments	4,424,194	1,680,143	-	6,104,337	-	-	88,493	660,660	-	6,853,490
	4,584,564	1,680,143	-	6,264,707	-	-	88,493	660,660	-	7,013,860
Excess of revenues over expenses	17,549,573	1,538,728	-	19,088,301	444,719	(13,296,175)	(240,024)	985,984	738,526	7,721,331
Net unrealized (losses)/gains on investments	11,303,455	2,235,559	-	13,539,014	-	-	20,686	1,070,456	-	14,630,156
Transfer to L & M Affiliate	(16,931,534)	3,184,351	-	(13,747,183)	3,504	12,069,947	-	-	1,673,732	-
Net assets released from restrictions used for purchases of property and equipment	136,178	-	-	136,178	-	-	-	-	-	136,178
Transfer of net assets to L & M Indemnity	-	-	-	-	-	-	-	-	(1,673,732)	(1,673,732)
Pension related changes other than periodic pension cost	(10,751,244)	-	-	(10,751,244)	-	-	-	-	-	(10,751,244)
Decrease in unrestricted net assets	$ 1,306,428	$ 6,958,638	$ -	$ 8,265,066	$ 448,223	$ (1,226,228)	$ (219,338)	$ 2,056,440	$ 738,526	$ 10,062,689

DOHP0546

Lawrence & Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2012 and 2011

Lawrence & Memorial Corporation and Subsidiaries
Index
September 30, 2012 and 2011

	Page(s)
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Changes in Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6–25
Consolidating Supplemental Information	
Consolidating Balance Sheets	26–29
Consolidating Statements of Operations	30–31

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Report of Independent Auditors

To the Board of Directors of
Lawrence & Memorial Corporation

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets, and cash flows present fairly, in all material respects, the financial position of Lawrence & Memorial Corporation (the "Corporation") and subsidiaries at September 30, 2012 and 2011 and the results of their operations, of their changes in net assets, and of their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Visiting Nurses Association ("VNA") of Southeastern Connecticut, Inc., a wholly-owned subsidiary, whose statements for the year ending September 30, 2012 and June 30, 2011 reflect total net assets constituting 6.0% and 6.0%, respectively, and total net revenues constituting 4.0% and 4.1%, respectively, of the related consolidated totals. Those statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to data included for VNA of Southeastern Connecticut, Inc., is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 26 through 31, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations. However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits and the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

As discussed in Note 1, the Corporation has revised its opening net assets at October 1, 2010 to reflect the change in year end of the Visiting Nurses Association of Southeastern Connecticut, Inc. from June 30 to September 30.

PricewaterhouseCoopers LLP

December 14, 2012

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Lawrence & Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 15,956,015	$ 43,894,275
Investments	207,930,544	155,901,313
Patient accounts receivable, net of allowance for doubtful accounts of $7,078,212 and $7,901,271, respectively	32,312,475	32,118,946
Other receivables	6,898,102	4,594,541
Inventories	4,503,709	4,552,611
Prepaid expenses and other current assets	3,094,289	2,340,406
Debt service fund	1,307,110	1,109,892
Total current assets	272,002,244	244,511,984
Assets limited as to use		
Cash	180,789	179,900
Construction fund	-	8,427,695
Investments held in trust	1,471,261	11,241,951
Endowment investments	24,574,488	21,493,907
Funds held in trust by others	6,451,420	5,607,933
Contributions receivable	1,158,095	887,468
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	2,247,370
Total assets limited as to use	36,083,178	50,086,224
Deferred financing costs and other assets, net	1,857,504	1,938,833
Property, plant and equipment, net	148,493,609	134,620,558
	$ 458,436,535	$ 431,157,599
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 27,382,558	$ 24,206,209
Accrued vacation and sick pay	12,710,157	11,705,811
Salaries, wages, payroll taxes and amounts withheld from employees	5,389,708	3,577,694
Due to affiliates	-	98,310
Due to third party payors	5,646,905	8,041,022
Other current liabilities	358,122	132,964
Current portion of long-term debt	2,762,007	2,976,493
Total current liabilities	54,249,457	50,738,503
Accrued pension and other postretirement benefits	51,185,800	43,423,221
Other liabilities	20,384,647	14,213,720
Long-term debt less current portion	79,507,217	82,249,920
Total liabilities	205,327,121	190,625,364
Net assets		
Unrestricted	225,862,751	216,070,652
Temporarily restricted	21,354,856	18,924,725
Permanently restricted	5,891,807	5,536,858
Total net assets	253,109,414	240,532,235
	$ 458,436,535	$ 431,157,599

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Corporation and Subsidiaries
Consolidated Statements of Operations
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 354,042,019	$ 346,211,658
Other operating revenues	14,772,422	18,066,967
Net assets released from restriction used for operations	1,308,521	926,208
Total unrestricted revenues, gains and other support	370,122,962	365,204,833
Expenses		
Salaries and wages	180,787,943	172,787,477
Employee benefits	45,920,442	45,531,409
Supplies	49,112,557	47,215,027
Purchased services	27,928,678	24,953,088
Other	31,685,722	31,339,249
Interest	2,316,341	2,248,313
Depreciation and amortization	19,255,553	17,686,458
Bad debts	12,408,255	14,611,759
Total expenses	369,415,491	356,372,780
Income from operations	707,471	8,832,053
Nonoperating gains/(losses)		
Unrestricted investment income	160,370	171,387
Income from investments	6,853,490	8,488,170
Loss on refinancing of debt	-	(2,026,984)
Total nonoperating gains/(losses)	7,013,860	6,632,573
Excess of revenues over expenses	7,721,331	15,464,626
Net unrealized gains/(losses) on investments	14,630,156	(8,880,215)
Net assets released from restrictions used for purchase of property, plant and equipment	136,178	176,082
Transfer of Net Assets to L & M Indemnity	(1,673,732)	-
Pension - related changes other than periodic pension costs	(10,751,244)	5,839,963
Increase/(decrease) in unrestricted net assets	$ 10,062,689	$ 12,600,456

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted net assets		
Excess of revenues over expenses	$ 7,721,331	$ 15,464,626
Net unrealized gains/(losses) on investments	14,630,156	(8,880,215)
Transfer to/from affiliate	-	-
Change in accounting period		
Transfer between donor classification	(270,590)	(867,139)
Net assets released from restrictions used for purchase of property, plant and equipment	136,178	176,082
Transfer of Net Assets to L & M Indemnity	(1,673,732)	-
Pension - related changes other than periodic pension costs	(10,751,244)	5,839,963
Increase in unrestricted net assets	9,792,099	11,733,317
Beginning of year unrestricted net assets	216,070,652	204,337,335
End of year unrestricted net assets, as reclassified	$ 225,862,751	$ 216,070,652
Temporarily restricted net assets		
Income from investments	$ 357,100	$ 321,776
Net assets released from restrictions	(1,444,699)	(1,102,290)
Transfer between donor classification	270,590	867,139
Contributions received	880,693	618,571
Change in value of irrevocable trusts	1,877,872	(152,473)
Net realized and unrealized gains/(losses) on investments	488,575	(286,646)
Increase in temporarily restricted net assets	2,430,131	266,077
Temporarily restricted net assets		
Beginning of year	18,924,725	18,658,648
End of year	$ 21,354,856	$ 18,924,725
Permanently restricted net assets		
Change in value of funds held in trust by others	$ 354,949	$ (140,467)
Increase/(Decrease) in permanently restricted net assets	354,949	(140,467)
Permanently restricted net assets		
Beginning of year	5,536,858	5,677,325
End of year	$ 5,891,807	$ 5,536,858
Increase in net assets	$ 12,577,179	$ 11,858,927

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 12,577,179	$ 11,858,927
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	19,255,553	17,686,458
Net unrealized and realized (gains)/losses on investments	(15,197,004)	8,771,265
Provision for bad debts	12,408,255	14,611,759
(Increase)/decrease in funds held in trust by others	(843,487)	268,116
(Increase)/decrease in contributions receivable	(270,627)	223,448
Restricted contributions and investment income	(1,237,793)	(940,347)
Changes in other operating accounts		
Patient accounts receivable, net	(12,601,784)	(14,402,162)
Other receivables, net	(2,303,561)	1,431,065
Inventories	48,902	(756,525)
Prepaid expenses and other current assets	(753,883)	(408,845)
Deferred financing costs and other assets	81,329	(608,468)
Accounts payable	4,658,535	2,446,982
Accrued vacation and sick pay	1,004,346	485,356
Salaries, wages, payroll taxes and amounts withheld from employees	1,812,014	(1,459,305)
Due to affiliates	(98,310)	100,238
Due to third party payors	(2,394,117)	(798,088)
Pension, postretirement and other liabilities	14,158,664	(6,801,772)
Net cash provided by operating activities	30,304,211	31,708,102
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(34,610,790)	(39,845,427)
Purchases of investments	(147,075,307)	(106,669,848)
Sales of investments	125,359,995	91,320,215
(Increase)/decrease in debt service fund	(197,218)	138,140
Increase in funds held in escrow	245	4,908,797
Net cash (used in) investing activities	(56,523,075)	(50,148,123)
Cash flows from financing activities		
Restricted contributions	1,237,793	940,347
Contributions restricted for purchasing equipment	-	-
Principal payments of long term debt	(2,957,189)	(3,005,100)
Proceeds of long term debt	-	23,176,959
Net cash (used in)/provided by financing activities	(1,719,396)	21,112,206
Net increase in cash and cash equivalents	(27,938,260)	2,672,185
Cash and cash equivalents		
Beginning of year	43,894,275	41,222,090
End of year	$ 15,956,015	$ 43,894,275
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 3,126,751	$ 1,644,565
Contributed securities	$ 1,237,793	$ 940,347

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence & Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence & Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence & Memorial Hospital ("L&M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, and L&M Indemnity Ltd. The VNA of Southeastern Connecticut Inc. is consolidated using financial statement balances at June 30, 2011 and 2010.

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence & Memorial Hospital by engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2012 or 2011.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts .

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors to fund the deductible portion of malpractice insurance coverage (maintained in an irrevocable trust), contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, funds held in trust by others, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Benefit Plans
The Hospital has a defined benefit plan and a defined contribution plan. The VNA also has a defined contribution plan (see Note 8).

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA has adopted the policy of self-insuring the tail portion of its malpractice insurance coverage . Management accrues its best estimate of losses as incidents which give rise to potential losses occur. The Corporation has created an offshore captive insurance company, L&M Indemnity Ltd. to administer all medical malpractice and general liability coverage. L&M Indemnity Ltd. was created on September 28, 2011.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements. LMPA became tax exempt under Section 501(c)(3) of the Internal Revenue Code on October 13, 2009.

Inventories
Inventory consists of supplies, both medical and general pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through December 14, 2012, which is the date the financial statements were issued.

Change in fiscal year end of VNASC

In 2012, the Visiting Nurses Association of Southeastern Connecticut, Inc. (VNASC) changed its fiscal year end from June 30 to September 30 The Corporation's 2012 financials reflect the VNASC operations and financial statement balances based on the financial statements for year ended September 30, 2012. The Corporation's 2011 financial statements were revised to reflect the VNASC financial information for the year ended September 30, 2011 rather than the year ended June 30, 2011 as previously reported as follows:

	2011 As Reported	2011 As Revised
Revenues	$365,079,447	$365,204,833
Expenses	$355,831,236	$356,372,780
Net Assets	$242,126,973	$240,532,235

The opening net assets of the Corporation were increased at October 1, 2010 by $1,053,610.

2. **Revenues From Services to Patients and Charity Care**

The following summarizes net revenues from services to patients:

	2012	2011
Gross charges from services to patients	$ 742,404,745	$ 699,696,753
Less: Charity care	5,883,789	6,383,831
Charges from services to patients, net of charity care	736,520,956	693,312,922
Deductions		
Allowances	385,058,064	349,028,196
State of Connecticut uncompensated care system (receipts)	(2,579,127)	(1,926,932)
Total deductions	382,478,937	347,101,264
Net revenues from services to patients	$ 354,042,019	$ 346,211,658

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The Corporation receives cash from the State of Connecticut Uncompensated Care Pool. The Corporation records this as an increase to their net revenues from services to patients.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as

final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $4,271,085 and $3,852,000 in 2012 and 2011, respectively.

During 2012 and 2011, approximately 33% and 32%, respectively, of net patient service revenue was received under the Medicare program, and 11% and 12%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenues for financial reporting purposes.

3. Investments

Investments included in current assets consist of the following:

	2012	2011
Pooled endowment funds		
Cash and cash equivalents	$ 464,020	$ 761,635
Bonds	4,338,011	4,020,563
Mutual funds	11,341,758	10,407,537
Hedge funds	5,272,802	4,903,092
Private equities	48,848	-
Marketable equities	3,109,049	1,401,080
Total pooled endowment funds	24,574,488	21,493,907
Investments held in trust by others		
Cash and cash equivalents	1,280,176	140,077
Bonds	1,838,336	2,814,055
Marketable equities	2,901,653	2,389,834
Other investments	431,255	263,967
Total investments held in trust by others	6,451,420	5,607,933
Other investments		
Cash and cash equivalents	13,176,141	11,416,712
Bonds	75,259,899	42,751,608
Mutual funds	2,951,720	2,398,006
Hedge funds	49,723,327	46,249,357
Private equities	424,104	80,000
Marketable equities	66,381,047	52,992,311
Other investments	14,306	13,319
Total other investments	207,930,544	155,901,313
	$ 238,956,452	$ 183,003,153

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
Pooled endowment funds				
Cash and cash equivalents	$ 464,020	$ -	$ -	$ 464,020
Bonds	4,338,011	-	-	4,338,011
Mutual funds	11,341,758	-	-	11,341,758
Hedge funds	-	-	5,272,802	5,272,802
Private equities	-	-	48,848	48,848
Marketable equities	3,109,049	-	-	3,109,049
Total pooled endowment funds	19,252,838	-	5,321,650	24,574,488
Held in trust by others				
Cash and cash equivalents	-	-	1,280,176	1,280,176
Bonds	-	-	1,838,336	1,838,336
Other assets	-	-	431,255	431,255
Marketable equities	-	-	2,901,653	2,901,653
Total held in trust by others	-	-	6,451,420	6,451,420
Other investments				
Cash and cash equivalents	13,176,141	-	-	13,176,141
Bonds	75,259,899	-	-	75,259,899
Mutual funds	2,951,720	-	-	2,951,720
Hedge funds	-	-	49,723,327	49,723,327
Private equities	-	-	424,104	424,104
Marketable equities	66,381,047	-	-	66,381,047
Other investments	-	-	14,306	14,306
Total other investments	157,768,807	-	50,161,737	207,930,544
	$ 177,021,645	$ -	$ 61,934,807	$ 238,956,452

	2011			
	Level 1	Level 2	Level 3	Total Fair Value
Pooled endowment funds				
Cash and cash equivalents	$ 761,635	$ -	$ -	$ 761,635
Bonds	4,020,563	-	-	4,020,563
Mutual funds	10,407,537	-	-	10,407,537
Hedge funds	-	-	4,903,092	4,903,092
Marketable equities	1,401,080	-	-	1,401,080
Total pooled endowment funds	16,590,815	-	4,903,092	21,493,907
Held in trust by others				
Cash and cash equivalents	-	-	140,077	140,077
Bonds	-	-	2,814,055	2,814,055
Other assets	-	-	263,967	263,967
Marketable equities	-	-	2,389,834	2,389,834
Total held in trust by others	-	-	5,607,933	5,607,933
Other investments				
Cash and cash equivalents	11,416,712	-	-	11,416,712
Bonds	42,751,608	-	-	42,751,608
Mutual funds	2,398,006	-	-	2,398,006
Hedge funds	-	-	46,249,357	46,249,357
Private equities	-	-	80,000	80,000
Equity Investments	-	-	13,319	13,319
Marketable equities	52,992,311	-	-	52,992,311
Total other investments	109,558,637	-	46,342,676	155,901,313
	$ 126,149,452	$ -	$ 56,853,701	$ 183,003,153

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists

for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

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

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2011	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2012
Investment pool								
Hedge funds	$ 51,152,449	$ 373,856	$ 2,148,606	$ 1,435,141	$ (164,059)	$ 12,362,601	$ (12,312,465)	$ 54,996,129
Private equities	$ 80,000	$ -	$ -	$ -	$ -	$ 392,952	$ -	$ 472,952
Funds held in trust	5,607,933	-	-	843,487	-	-	-	6,451,420
Total	$ 56,840,382	$ 373,856	$ 2,148,606	$ 2,278,628	$ (164,059)	$ 12,755,553	$ (12,312,465)	$ 61,920,501

	Beginning October 1, 2010	Investment Income	Realized Gains	Unrealized Losses	Investment Fees	Purchases	Sales	Ending September 30, 2011
Investment pool								
Hedge funds	$ 47,783,887	$ 325,564	$ 343,439	$ (192,120)	$ (116,775)	$ 3,008,434	$ -	$ 51,152,449
Private equities	$ -	$ -	$ -	$ -	$ -	$ 80,000	$ -	$ 80,000
Funds held in trust	5,876,049	-	-	(268,116)	-	-	-	5,607,933
Total	$ 53,659,936	$ 325,564	$ 343,439	$ (460,236)	$ (116,775)	$ 3,088,434	$ -	$ 56,840,382

There were no significant transfers of assets between levels for the year ended September 30, 2012. A summary of the pooled endowment investment return is presented below:

	2012	2011
Investment income	$ 610,571	$ 509,341
Realized and unrealized gains/(losses)	2,657,538	(269,056)
Management fees and other costs	(31,626)	(41,119)
Total return on pooled endowment investments	$ 3,236,483	$ 199,166

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2012.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 11,763,895	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	15,126,804	1	N/A	-	No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	22,428,676	1	N/A	-	No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	5,676,574	1	N/A	-	No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	472,952	2	N/A	1,976,914	Illiquid long term 5 years	None	None	None
		$ 55,469,081							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.
- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 2,985,408	$ 11,788,979	$ 2,866,683	$ 17,641,070
Investment return				
Investment income	436,096	91,840	-	527,936
Net realized and unrealized gain/(loss)	601,740	1,877,872	-	2,479,612
Total investment return	1,037,836	1,969,712	-	3,007,548
Income distribution	-	(125,255)	-	(125,255)
Endowment net assets at end of year	$ 4,023,244	$ 13,633,436	$ 2,866,683	$ 20,523,363

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 1,844,995	$ 12,134,604	$ 2,866,683	$ 16,846,282
Investment return				
Investment income	215,549	114,203	-	329,752
Net realized and unrealized gain/(loss)	924,864	(286,646)	-	638,218
Total investment return	1,140,413	(172,443)	-	967,970
Income distribution	-	(173,182)	-	(173,182)
Endowment net assets at end of year	$ 2,985,408	$ 11,788,979	$ 2,866,683	$ 17,641,070

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2012	2011
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 13,633,436	$ 11,788,979
Total endowment funds classified as temporarily restricted net assets	$ 13,633,436	$ 11,788,979
Permanently restricted net assets		
Corpus of permanently restricted contributions for purchase of equipment and healthcare services	$ 2,866,683	$ 2,866,683
Total endowment funds classified as permanently restricted net assets	$ 2,866,683	$ 2,866,683

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2012 and 2011.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, Kitchings and operating funds. The Corporation will designate the spending amount on an as-needed basis for the special account.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2012 and 2011:

	2012	2011
Temporarily restricted net assets		
Funds held in trust by others	$ 3,448,102	$ 2,959,565
Contributions receivable	20,366	20,328
Free beds and plant replacement and expansion	13,633,436	11,788,979
Specific purpose reserves	4,252,952	4,155,853
	$ 21,354,856	$ 18,924,725

Permanently restricted net assets at September 30, 2012 and 2011 are restricted to:

	2012	2011
Permanently restricted net assets		
Funds held in trust by others	$ 3,025,124	$ 2,670,175
Donor restricted endowment funds	2,866,683	2,866,683
	$ 5,891,807	$ 5,536,858

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2012	2011
Land and land improvements	$ 18,000,459	$ 17,953,282
Buildings	118,209,994	115,186,586
Equipment	217,351,555	205,016,641
	353,562,008	338,156,509
Less: Accumulated depreciation	(227,405,684)	(213,645,408)
	126,156,324	124,511,101
Construction in progress (estimated cost to complete at September 30, 2012 is $53,058,474	22,337,285	10,109,457
	$ 148,493,609	$ 134,620,558

7. Long-Term Debt

	2012	2011
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2012 to 2026	$ 36,250,000	$ 39,135,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	22,990,000	22,990,000
Capital lease obligation	448,826	405,373
Total long-term debt outstanding	79,493,826	82,335,373
Less: Amounts classified as current	2,762,007	2,976,493
Add: Bond premium	2,775,398	2,891,040
Total long-term portion of long-term debt	$ 79,507,217	$ 82,249,920

On September 15, 2011 CHEFA issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under

the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st commencing July 1, 2012. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 beginning January 1, 2012.

The proceeds of the Series F Bonds were used to refund the outstanding Authority Revenue Bonds, Lawrence & Memorial Hospital Issue, Series D (the "Series D Bonds") and are being used to fund all or a portion of the following capital projects: (i) replacement of a linear accelerator on the main campus of the Hospital; (ii) capital improvements for infrastructure renovation and improvement on the main campus, including heating, ventilation, and air conditioning project; (iii) replacement of a catheterization lab and equipment on the main campus; (iv) acquisition of approximately 100 acres of land in Waterford, Connecticut for development of a new cancer center; and (v) acquisition and installation of Magnetic Resonance Imaging and CT equipment at the Crossroads facility.

On June 24, 2004 CHEFA issued $22,990,000 of Series E Bonds (the "Series E Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series E Bond agreements). The Series E Bonds are structured with a term bond due July 1, 2034, with annual sinking fund payments due each July 1st commencing July 1, 2003. Interest on the Series E Bonds accrues at the weekly rate and is payable on the first business day of each month commencing July 1, 2004.

The proceeds of the Series E Bonds were used to finance the acquisition, construction, capital improvements, renovation, and/or equipping of the expansion of the Hospital's Pequot Health Center, including a new 37,000 square foot building addition to house an ambulatory surgery unit, MRI services, and mobile medical technologies. The proceeds were also used to fund the debt service reserve fund and costs related to the issuance and interest related to the Series E Bonds. Under the terms of the trust indenture for the Series E Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series E bonds. The bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts (as defined) and certain real property of the Hospital and Corporation.

Effective January 16, 2008, the Hospital refinanced its CHEFA Series E bonds with JPMorgan Chase Bank, N.A. This reoffering does not update information contained in the original official statement but provides a new letter of credit, which expires in January 2013.

The Series E Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are equal quarterly installments beginning in the first quarter that is at least 367 days after the initial draw down on the letter of credit. The Series E Bonds have been successfully remarketed and there have been no draws on the letter of credit.

In accordance with the long-term loan agreement with CHEFA, certain trusteed funds are required to be maintained. These funds provide for debt service and other related payments. The income

derived from these funds is required to be reinvested in the trusteed funds and is not available for current operating purposes.

The agreements will remain in force until principal and interest on the bonds and any other costs of the Authority with respect to the project have been fully paid or provided for. Annual payments due under the loan agreements include interest on the outstanding bonds.

The fair value of the Series E Bonds, using discounted cash flow analyses, approximates carrying value. The fair value of the Series 2011F Bonds using discounted cash flows was $62,036,108.50 and $58,940,000.00 for years ending September 30, 2012 and September 30, 2011 respectively

Principal repayments, excluding the capital lease, are as follows:

Years	Annual Principal Repayment
2013	$ 2,625,000
2014	2,725,000
2015	2,835,000
2016	2,975,000
2017 and thereafter	67,885,000
	$ 79,045,000

Cash interest payments of $2,118,293 and $2,215,476 were made in fiscal year 2012 and 2011, respectively. No interest was capitalized during 2012 and 2011.

8. **Pension and Other Postretirement Benefits**

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment. Assets of the Plan include mutual funds, marketable equity securities, corporate and government bonds, notes, and hedge funds.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated statements of financial position for fiscal year 2012 and 2011 as of September 30 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in benefit obligation				
Benefit obligation at beginning of year	$ 126,663,537	$ 131,200,922	$ 1,167,001	$ 1,277,520
Service cost	1,555,388	1,941,270	-	-
Interest cost	6,610,881	6,505,871	59,302	59,018
Employee contributions	118,336	163,401	-	-
Benefits paid	(6,214,539)	(5,255,985)	(124,024)	(120,183)
Actuarial loss/(gain)	18,467,849	(7,891,942)	186,929	(49,354)
Benefit obligation at end of year	147,201,452	126,663,537	1,289,208	1,167,001
Change in plan assets				
Fair value of plan assets at beginning of year	85,487,585	81,387,819	-	-
Actual return on plan assets	11,886,927	2,092,350	-	-
Employee contributions	118,336	163,401	-	-
Employer contributions	7,020,000	7,100,000	124,024	120,183
Benefits paid	(6,214,539)	(5,255,985)	(124,024)	(120,183)
Fair value of plan assets at end of year	98,298,309	85,487,585	-	-
Funded status of the plan	(48,903,143)	(41,175,952)	(1,289,208)	(1,167,001)
The cumlative amount of these adjustments reported as net assets in the consolidated statements of the financial position at September 30th, 2012 and 2011 include:				
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	42,795,831	31,903,948	(289,506)	(526,034)
Unrecognized prior service cost	330,949	471,588	-	-
Accrued benefit costs recognized in the statements of operations	$ (5,776,363)	$ (8,800,416)	$ (1,578,714)	$ (1,693,035)
Components of net periodic benefit costs				
Service cost	$ 1,555,388	$ 1,941,270	$ -	$ -
Interest cost	6,610,881	6,505,871	59,302	59,018
Expected return on plan assets	(6,465,227)	(6,850,835)	-	-
Amortization of net loss/(gain)	2,154,266	2,581,545	(49,599)	(55,084)
Net amortization and deferral	140,639	124,961	-	-
Benefit cost	$ 3,995,947	$ 4,302,812	$ 9,703	$ 3,934

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2012	2011
Discount rate	5.34 %	5.07 %
Average rate of compensation increases	3.50 %	4.25 %
Expected return on assets	7.50 %	8.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2012	2011
Discount rate	3.95 %	5.34 %
Average rate of compensation increases	2.50 %	3.50 %

The Plan's asset allocations as of September 30, 2012 and 2011 are as follows:

Asset Category	2012	2011
Cash	5 %	5 %
Bonds	29	30
Hedge funds	29	31
Marketable equities	37	34
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2012	$ 6,507,731
2013	6,713,876
2014	6,982,706
2015	7,173,109
2016	7,566,083
Expected aggregate for 5 fiscal years beginning 2017	41,508,308

Annual contributions are determined by the Hospital based upon calculations prepared by the Plan's actuary. Expected contributions to the Pension and Retiree Health Plan for 2012 are approximately:

Pension	$ 4,800,000
Retiree health	125,931

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9% in 2012 reducing to 5.0% by the year 2016 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $97,000 and $84,000, respectively, at September 30, 2012 and 2011. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $88,000 and $77,000, respectively, at September 30, 2012 and 2011.

Plan Assets
The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the staff pension plan at September 30, 2012:

	Level 1	Level 2	Level 3	2012
Investments, at fair value				
Cash	$ 4,711,241	$ -	$ -	$ 4,711,241
Bonds	28,278,732	-	-	28,278,732
Hedge funds	-	-	28,795,536	28,795,536
Marketable equities	32,342,939	4,169,861	-	36,512,800
Total investments, at fair value	$ 65,332,912	$ 4,169,861	$ 28,795,536	$ 98,298,309

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2011:

	Level 1	Level 2	Level 3	2011
Investments, at fair value				
Cash	$ 3,847,979	$ -	$ -	3,847,979
Bonds	25,779,769	-	-	25,779,769
Hedge funds	-	-	26,524,387	26,524,387
Marketable equities	26,050,106	3,285,344	-	29,335,450
Total investments, at fair value	$ 55,677,854	$ 3,285,344	$ 26,524,387	$ 85,487,585

There are no transfers between levels comparing last to this year for assets that are in the portfolio.

The table below represents the change in fair value measurements for Level 3 investments held by the staff pension plans' years ended September 30, 2012 and 2011, respectively.

	2012	2011
Beginning balances	$ 26,524,387	$ 24,333,145
Realized gains	144,819	25,445
Fees	(54,861)	(57,862)
Unrealized gains	2,181,191	223,659
Purchases	5,475,369	2,000,000
Sales	(5,475,369)	-
Ending balances	$ 28,795,536	$ 26,524,387

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations for both plans combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate in the Plan. Eligible employees may contribute a percentage of their salary to the Plan. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,270,000 and $3,677,000 for 2012 and 2011, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $437,911 and $432,537 for the years ended September 30, 2012 and June 30,2011, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2012	2011
Health care services	$ 282,756,672	$ 271,601,306
General and administrative	86,658,819	84,771,474
	$ 369,415,491	$ 356,372,780

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Westerly Hospital

During 2012, the Corporation entered into a contract to purchase Westerly Hospital. The Rhode Island court approved the acquisition on August 30, 2012. The acquisition still needs to receive regulatory review and approval, prior to the closing. The closing date is expected to be in the first quarter of calendar year 2013. Prepaid expenses of $710,000 have been incurred towards the closing costs. Approximately $2.5 million of expenses have been incurred in fiscal year 2012.

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 13,709,499	$ 907,448	$ -	$ 14,616,947	$ -	$ 502,009	$ 226,549	$ 610,510	$ -	$ 15,956,015
Investments	138,433,638	49,793,622	-	188,227,260	-	-	13,137,635	6,565,649	-	207,930,544
Patient accounts receivable,net	28,946,593	-	-	28,946,593	-	1,246,803	-	2,119,079	-	32,312,475
Other receivables	17,488,730	-	-	17,488,730	509,500	953,156	483,133	-	(12,536,417)	6,898,102
Inventories	4,469,470	-	-	4,469,470	-	34,239	-	-	-	4,503,709
Due from affiliates	639,799	812,417	(639,799)	812,417	1,633,327	-	-	-	(2,445,744)	-
Prepaid expenses and other current assets	2,004,576	210,000	-	2,214,576	-	531,732	2,862	345,119	-	3,094,289
Debt service fund	1,307,110	-	-	1,307,110	-	-	-	-	-	1,307,110
Total current assets	206,999,415	51,723,487	(639,799)	258,083,103	2,142,827	3,267,939	13,850,179	9,640,357	(14,982,161)	272,002,244
Assets limited as to use										
Cash	180,789	-	-	180,789	-	-	-	-	-	180,789
Construction funds	-	-	-	-	-	-	-	-	-	-
Investments held in trust	971,261	500,000	-	1,471,261	-	-	-	-	-	1,471,261
Endowment investments	16,251,376	2,946,028	-	19,197,404	-	-	-	5,377,084	-	24,574,488
Investment in subsidiaries	-	3,182,689	-	3,182,689	-	-	-	-	(3,182,689)	-
Funds held in trust by others	6,451,420	-	-	6,451,420	-	-	-	-	-	6,451,420
Contributions receivable	20,366	1,137,729	-	1,158,095	-	-	-	-	-	1,158,095
Funds held in escrow by agreement with Statement of Connecticut Health and										
Debt service reserve fund	2,247,125	-	-	2,247,125	-	-	-	-	-	2,247,125
Educational Facilities Authority and trustees	-	-	-	-	-	-	-	-	-	-
Total assets limited as to use	26,122,337	7,766,446	-	33,888,783	-	-	-	5,377,084	(3,182,689)	36,083,178
Other assets										
Deferred financing costs and other assets, net	1,857,504	-	-	1,857,504	-	-	-	-	-	1,857,504
Property, plant and equipment										
Land improvements	6,573,393	11,096,791	-	17,670,184	-	-	-	330,275	-	18,000,459
Buildings/leasehold improvements	114,978,768	148,821	-	115,127,589	-	869,622	-	2,212,783	-	118,209,994
Equipment/furniture	215,747,098	21,774	-	215,768,872	-	656,294	-	926,389	-	217,351,555
Accumulated depreciation	(224,709,996)	(82,371)	-	(224,792,367)	-	(910,368)	-	(1,702,949)	-	(227,405,684)
Construction in progress	22,337,285	-	-	22,337,285	-	-	-	-	-	22,337,285
Property, plant and equipment, net	134,926,548	11,185,015	-	146,111,563	-	615,548	-	1,766,498	-	148,493,609
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 458,436,535

DOHP0574

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	$ 25,447,380	$ 221,394	$ -	$ 25,668,774	$ -	$ 322,235	$ 63,701	$ 1,327,848	$ -	$ 27,382,558
Accrued vacation and sick pay	12,283,930	-	-	12,283,930	-	426,227	-	-	-	12,710,157
Salaries, wages, payroll taxes and amounts withheld from employees	3,887,866	-	-	3,887,866	-	1,501,820	-	-	-	5,389,708
	-	-	-	-	-	-	-	-	-	-
Due to affiliates	2,421,244	-	(639,799)	1,781,445	664,299	-	-	-	(2,445,744)	-
Due to third party payors	5,409,556	-	-	5,409,556	-	-	-	237,349	-	5,646,905
Other current liabilities	-	-	-	-	-	-	189,267	169,855	-	358,122
Current portion of long-term debt	2,762,007	-	-	2,762,007	-	-	-	-	-	2,762,007
Total current liabilities	52,212,005	221,394	(639,799)	51,793,600	664,299	2,250,282	251,968	1,735,052	(2,445,744)	54,249,457
Accrued pension and other postretirement benefits	51,185,800	-	-	51,185,800	-	-	-	-	-	51,185,800
Other liabilities	17,998,408	-	-	17,998,408	-	1,963,633	13,697,549	-	(13,274,943)	20,384,647
Long-term debt less current portion	79,507,217	-	-	79,507,217	-	-	-	-	-	79,507,217
Total liabilities	200,903,430	221,394	(639,799)	200,485,025	664,299	4,213,915	13,949,517	1,735,052	(15,720,687)	205,327,121
Net assets										
Unrestricted	143,045,328	69,190,937	-	212,236,265	1,478,528	(330,428)	(99,338)	15,021,887	(2,444,163)	225,862,751
Temporarily restricted	20,092,239	1,262,617	-	21,354,856	-	-	-	-	-	21,354,856
Permanently restricted	5,864,807	-	-	5,864,807	-	-	-	27,000	-	5,891,807
Total net assets	169,002,374	70,453,554	-	239,455,928	1,478,528	(330,428)	(99,338)	15,048,887	(2,444,163)	253,109,414
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 458,436,535

DOHP0575

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2011

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 41,797,328	$ 814,520	$ -	$ 42,611,856	$ 399	$ 56,951	$ 120,000	$ 1,105,069	$ -	$ 43,894,275
Investments	105,904,042	44,333,741	-	150,237,783	-	-	-	5,663,530	-	155,901,313
Patient accounts receivable, net	30,483,331	-	-	30,483,331	-	589,495	-	1,046,120	-	32,118,946
Other receivables	3,998,458	-	-	3,998,458	559,288	36,795	-	-	-	4,594,541
Inventories	4,528,017	-	-	4,528,017	-	24,594	-	-	-	4,552,611
Due from affiliates	578,161	861,458	(578,161)	861,458	1,087,749	3,754	-	-	(1,952,961)	-
Prepaid expenses and other current assets	1,739,804	-	-	1,739,804	-	283,749	-	316,853	-	2,340,406
Debt service fund	1,109,892	-	-	1,109,892	-	-	-	-	-	1,109,892
Total current assets	190,139,033	46,009,727	(578,161)	235,570,599	1,647,436	995,338	120,000	8,131,572	(1,952,961)	244,511,984
Assets limited as to use										
Cash	179,900	-	-	179,900	-	-	-	-	-	179,900
Construction funds	8,427,695	-	-	8,427,695	-	-	-	-	-	8,427,695
Investments held in trust	11,241,951	-	-	11,241,951	-	-	-	-	-	11,241,951
Endowment investments	14,398,888	2,598,927	-	16,997,815	-	-	-	4,496,092	-	21,493,907
Investment in subsidiaries	-	3,182,689	-	3,182,689	-	-	-	-	(3,182,689)	-
Funds held in trust by others	5,607,933	-	-	5,607,933	-	-	-	-	-	5,607,933
Contributions receivable	20,328	867,140	-	887,468	-	-	-	-	-	887,468
Funds held in escrow by agreement with Statement of Connecticut Health and Debt service reserve fund										
Educational Facilities Authority and trustees	2,247,370	-	-	2,247,370	-	-	-	-	-	2,247,370
Total assets limited as to use	42,124,065	6,648,756	-	48,772,821	-	-	-	4,496,092	(3,182,689)	50,086,224
Other assets										
Deferred financing costs and other assets, net	1,938,833	-	-	1,938,833	-	-	-	-	-	1,938,833
Property, plant and equipment										
Land improvements	6,506,216	11,116,791	-	17,623,007	-	-	-	330,275	-	17,953,282
Buildings/leasehold improvements	111,446,370	146,821	-	111,595,191	-	1,396,975	-	2,194,420	-	115,186,586
Equipment/furniture	203,329,727	21,774	-	203,351,501	-	745,052	-	920,088	-	205,016,641
Accumulated depreciation	(210,414,909)	(74,691)	-	(210,489,600)	-	(1,631,229)	-	(1,524,579)	-	(213,645,408)
Construction in progress	10,109,457	-	-	10,109,457	-	-	-	-	-	10,109,457
Property, plant and equipment, net	120,976,861	11,212,695	-	132,189,556	-	510,798	-	1,920,204	-	134,620,558
	$ 355,178,792	$ 63,871,178	$ (578,161)	$ 418,471,809	$ 1,647,436	$ 1,506,136	$ 120,000	$ 14,547,868	$ (5,135,650)	$ 431,157,599

DOHP0576

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2011

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	$ 22,690,113	$ 236,343	$ -	$ 22,926,456	$ -	$ 60,230	$ -	$ 1,219,523	$ -	$ 24,206,209
Accrued vacation and sick pay	11,705,811	-	-	11,705,811	-	-	-	-	-	11,705,811
Salaries, wages, payroll taxes and amounts withheld from employees	3,125,898	-	-	3,125,898	-	451,796	-	-	-	3,577,694
Due to affiliates	1,913,991	-	(578,161)	1,335,830	617,131	98,310	-		(1,952,961)	98,310
Due to third party payors	7,838,088	-	-	7,838,088	-	-	-	202,934	-	8,041,022
Other current liabilities	-	-	-	-	-	-	-	132,964	-	132,964
Current portion of long-term debt	2,976,493	-	-	2,976,493	-	-	-	-	-	2,976,493
Total current liabilities	50,250,394	236,343	(578,161)	49,908,576	617,131	610,336	-	1,555,421	(1,952,961)	50,738,503
Accrued pension and other postretirement benefits	43,423,221	-	-	43,423,221	-	-	-	-	-	43,423,221
Other liabilities	14,213,720	-	-	14,213,720	-	-	-	-	-	14,213,720
Long-term debt less current portion	82,249,920	-	-	82,249,920	-	-	-	-	-	82,249,920
Total liabilities	190,137,255	236,343	(578,161)	189,795,437	617,131	610,336	-	1,555,421	(1,952,961)	190,625,364
Net assets										
Unrestricted	141,738,900	62,502,889	-	204,241,789	1,030,305	895,800	120,000	12,965,447	(3,182,689)	216,070,652
Temporarily restricted	17,792,779	1,131,946	-	18,924,725	-	-	-	-	-	18,924,725
Permanently restricted	5,509,858	-	-	5,509,858	-	-	-	27,000	-	5,536,858
Total net assets	165,041,537	63,634,835	-	228,676,372	1,030,305	895,800	120,000	12,992,447	(3,182,689)	240,532,235
	$ 355,178,792	$ 63,871,178	$ (578,161)	$ 418,471,809	$ 1,647,436	$ 1,506,136	$ 120,000	$ 14,547,868	$ (5,135,650)	$ 431,157,599

DOHP0577

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 329,278,379	$ -	$ -	$ 329,278,379	$ -	$ 13,740,606	$ -	$ 11,023,034	$ -	$ 354,042,019
Other operating revenues	11,277,917	2,850,055	-	14,127,972	584,822	2,464,499	4,758,259	3,792,379	(10,955,509)	14,772,422
Net assets released from restriction	449,575	858,946	-	1,308,521	-	-	-	-	-	1,308,521
	341,005,871	3,709,001	-	344,714,872	584,822	16,205,105	4,758,259	14,815,413	(10,955,509)	370,122,962
Operating expenses										
Salaries and wages	152,912,737	-	-	152,912,737	-	19,234,424	-	9,996,589	(1,355,807)	180,787,943
Employee benefits	42,122,837	-	-	42,122,837	109,556	3,410,611	-	2,607,582	(2,330,144)	45,920,442
Supplies	46,248,498	858,934	-	47,107,432	-	763,510	-	1,247,370	(5,755)	49,112,557
Purchased services	24,623,743	2,933,053	-	27,556,796	30,391	1,125,676	198,181	371,566	(1,353,932)	27,928,678
Other	28,877,147	50,749	-	28,927,896	-	4,517,628	4,888,595	-	(6,648,397)	31,685,722
Interest	2,315,992	-	-	2,315,992	156	193	-	-	-	2,316,341
Depreciation and amortization	18,825,589	7,680	-	18,833,269	-	243,914	-	178,370	-	19,255,553
Bad debts	12,114,319	-	-	12,114,319	-	205,324	-	88,612	-	12,408,255
	328,040,862	3,850,416	-	331,891,278	140,103	29,501,280	5,086,776	14,490,089	(11,694,035)	369,415,491
Income from operations	12,965,009	(141,415)	-	12,823,594	444,719	(13,296,175)	(328,517)	325,324	738,526	707,471
Nonoperating gains										
Unrestricted investment income	160,370	-	-	160,370	-	-	-	-	-	160,370
Income/(loss) from investments	4,424,194	1,680,143	-	6,104,337	-	-	88,493	660,660	-	6,853,490
Loss on refinancing of debt	-	-	-	-	-	-	-	-	-	-
	4,584,564	1,680,143	-	6,264,707	-	-	88,493	660,660	-	7,013,860
Excess of revenues over expenses	17,549,573	1,538,728	-	19,088,301	444,719	(13,296,175)	(240,024)	985,984	738,526	7,721,331
Net unrealized (losses)/gains on investments	11,303,455	2,235,559	-	13,539,014	-	-	20,686	1,070,456	-	14,630,156
Transfer to L & M Affiliate	(16,931,534)	3,184,351	-	(13,747,183)	3,504	12,069,947	-	-	1,673,732	-
Net assets released from restrictions used for purchases of property and equipment	136,178	-	-	136,178	-	-	-	-	-	136,178
Transfer of net assets to L & M Indemnity	-	-	-	-	-	-	-	-	(1,673,732)	(1,673,732)
Pension - related changes other than periodic pension costs	(10,751,244)	-	-	(10,751,244)	-	-	-	-	-	(10,751,244)
Decrease in unrestricted net assets	$ 1,306,428	$ 6,958,638	$ -	$ 8,265,065	$ 448,223	$ (1,226,228)	$ (219,338)	$ 2,056,440	$ 738,526	$ 10,062,689

DOHP0578

Lawrence & Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2011

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 325,275,690	$ -	$ -	$ 325,275,690	$ -	$ 9,653,134	$ -	$ 11,282,834	$ -	$ 346,211,658
Other operating revenues	11,091,202	4,913,892	-	16,005,094	514,414	1,445,368	-	3,466,250	(3,364,159)	18,066,967
Net assets released from restriction	394,829	531,379	-	926,208	-	-	-	-	-	926,208
	336,761,721	5,445,271	-	342,206,992	514,414	11,098,502	-	14,749,084	(3,364,159)	365,204,833
Operating expenses										
Salaries and wages	149,953,412	-	-	149,953,412	-	13,086,769	-	10,261,026	(515,730)	172,787,477
Employee benefits	41,985,784	-	-	41,985,784	252,925	2,238,134	-	2,656,894	(1,602,328)	45,531,409
Supplies	45,904,757	531,874	-	46,436,631	50	543,449	-	234,897	-	47,215,027
Purchased services	23,474,674	387,423	-	23,862,097	6,284	1,447,160	-	668,820	(1,031,273)	24,953,088
Other	29,046,249	75,670	-	29,121,919	29	1,806,420	-	625,830	(214,828)	31,339,370
Interest	2,212,181	-	-	2,212,181	-	-	-	36,011	-	2,248,192
Depreciation and amortization	17,199,566	7,680	-	17,207,246	-	270,863	-	208,349	-	17,686,458
Bad debts	14,356,474	-	-	14,356,474	-	176,603	-	78,682	-	14,611,759
	324,133,097	1,002,647	-	325,135,744	259,288	19,571,398	-	14,770,509	(3,364,159)	356,372,780
Income from operations	12,628,624	4,442,624	-	17,071,248	255,126	(8,472,896)	-	(21,425)	-	8,832,053
Nonoperating gains										
Unrestricted investment income	171,387	-	-	171,387	-	-	-	-	-	171,387
Income/(loss) from investments	5,993,369	2,233,886	-	8,227,255	-	-	-	260,915	-	8,488,170
Loss on refinancing of debt	(2,026,984)	-	-	(2,026,984)	-	-	-	-	-	(2,026,984)
	4,137,772	2,233,886	-	6,371,658	-	-	-	260,915	-	6,632,573
Excess of revenues over expenses	16,766,396	6,676,510	-	23,442,906	255,126	(8,472,896)	-	239,490	-	15,464,626
Net unrealized (losses)/gains on investments	(6,282,024)	(1,847,148)	-	(8,129,172)	-	-	-	(751,043)	-	(8,880,215)
Transfer to L & M Affiliate	(12,670,075)	3,228,509	-	(9,441,566)	178,123	9,263,443	-	-	-	-
Net assets released from restrictions used for Change in accounting periods purchases of property and equipment	176,082	-	-	176,082	-	-	-	-	-	176,082
Pension - related changes other than periodic pension costs	5,839,963	-	-	5,839,963	-	-	-	-	-	5,839,963
Decrease in unrestricted net assets	$ 3,830,342	$ 8,057,871	$ -	$ 11,888,213	$ 433,249	$ 790,547	$ -	$ (511,553)	$ -	$ 12,600,456

DOHP0579

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Lawrence + Memorial Corporation and Subsidiaries

Recommendations with Respect to Accounting and Operating Controls and Procedures

September 30, 2013

pwc

DOHP0579A01

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July 8, 2014

Audit Committee of Lawrence a+ Memorial Corporation
New London, Connecticut

Dear Committee Members:

In planning and performing our audit of the financial statements of Lawrence + Memorial Corporation and Subsidiaries ("L+M" or the "Corporation") as of and for the year ended September 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on L+M's internal control over financial reporting. Accordingly, we do not express an opinion on L+M's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses as defined in the recent amendment to AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, of the *AICPA Professional Standards* and shown below:

> **Control Deficiency**—exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.
>
> **Significant Deficiency**—a control deficiency, or combination of control deficiencies, that adversely affects L+M's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.
>
> **Material Weakness**—a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

This letter is intended solely for the information and use of the Audit Committee, The Board of Directors, management or other within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the assistance of the Corporation and the opportunity to have been of service to you. If you would like any further information or would like to discuss any of the issues raised, please contact us at your convenience.

Very truly yours,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers

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Contents

Current year comment 1
Prior year comments 4

Current year comments

1. Segregation of duties relative to journal entry processing

Observation / Impact

During the current year audit, we focused more on the journal entry process and segregation of duties, both in response to the assumed significant risk of fraud, as well as a way to introduce unpredictability into our audit. Currently, Meditech is configured so that all Meditech users with journal entry creation rights also possess journal entry post rights. Said another way, anyone who has access to create journal entries can do so without prior approval. Further, in many cases, the individual who processes the journal entry is also the individual who prepares the reconciliation for the account. Review of reconciliations in most cases is not evidenced. Lastly, current access to create and post journal entries is very broad, and includes such individuals as the Chief Financial Officer and the Director of Finance. While L+M's policy is that each journal entry is prepared in paper form and reviewed in paper form by another individual, the creation and post in the system is done by the same individual.

Recommendation

We believe that a risk exists that improper entries could be recorded, whether caused by error or fraud, and not be discovered through the review process. We recommend that management review the journal entry creation and posting process and policies. This review would entail ensuring proper segregation of duties, taking into account journal entry capabilities and account reconciliation reviews.

Management's response

Management would agree that through proper segregation of duties the potential for fraud or misrepresentations should be minimized. A review of duties by employee by account structure for journal entry creation, posting responsibility and reconciliation will be undertaken to ensure proper segregation. This is expected to be completed by May 16, 2014.

2. Changes to master vendor file

Observation / Impact

During our walkthrough procedures this year we noted that accounts payable staff have the ability to edit fields of the master vendor file. While only materials management currently has the ability to add vendors, it wouldn't be difficult for an accounts payable staff person to edit the name and address of an existing vendor who is used infrequently or not at all anymore. There have been some high dollar, high profile misappropriation of assets cases over the past several years where accounts payable staff have used this ability or the ability to create new vendors to inappropriately create checks to themselves.

Recommendation

We believe that enhancements to the current controls structure would be prudent, specifically, removal of the ability of accounts payable staff to edit fields is recommended so that appropriate segregation of duties is maintained in this area.

Management's response

A new position is being recruited for as an Accounts Payable/ Payroll Supervisor. This will become a duty for this individual to add or change vendor dictionaries. This function needs to stay in the area as companies merge and changes of name and addresses occur. It will also be this individual's responsibility to randomly review vendors and batches for internal controls. This is expected to be completed by May 31, 2014.

3. Authorized signatories on bank and investment accounts

Observation / Impact

During our confirmation of bank and investment account procedures this year we encountered difficulties in obtaining some confirmations of certain cash and investment balances for L+M Hospital and Westerly Hospital due to the signatories not being initially known and /or updated.

Recommendation

We note that a prudent practice is to ensure that such information is kept up to date at all times so that transactions and inquiries can be processed in a timely manner as needed.

Management's response

L+M Hospital was one account that was overlooked when change of signatory occurred. Westerly investment accounts were not changed in ownership due to no release from the Mastership. A detailed list of accounts will be produced to ensure all signatories are updated when changes occur. This is expected to be completed by May 2, 2014

4. Documentation of analyses

Observation / Impact

Many financial statement amounts are based up on management analyses, such as allowance for bad debts, contractual allowances and third party settlements, among others. As part of our audit procedures, noted that thought processes and conclusions were sometimes not fully documented. As an example, during our review of the third party settlement analysis, it was noted that there was no accrual or receivable booked for Medicaid for the 2011 year. After several discussions with management, and analysis of other open years not booked, it was noted that the amounts relating to open years not booked for Medicaid and Medicare netted down to a very small number and did not need

to be recorded, however, ideally that thought process and analysis would be documented as well as the conclusion that it was not necessary to include such amounts in the financial statements due to materiality.

Another example is the bad debt reserve, which has a supporting calculation behind it which takes a "P&L approach", meaning that a certain percentage of gross revenue is added to the reserve monthly, offset by write offs to arrive at the ending allowance balance. In assessing the adequacy of that reserve, it is also important to look to the balance, age and composition of gross patient accounts receivable as of the end of the year. During our discussions with management, we did note that other ratios and analytics are prepared, however there is no analysis of such calculations which draw a conclusion as to adequacy.

Recommendation

Management spends significant time developing estimates and thinking about what makes the most sense from a financial reporting perspective, but would best be served to extend that into maintaining documentation of those thoughts and conclusions in support of the final decisions. Not only does this help to support decisions made, it also assists in continuity year over year as management doesn't have to rely on memory but can instead refer to a document to refresh.

Management's response

All estimates are reserved to the best of our knowledge at the time projections are made. As was noted above there are positives and negatives in the third party arena. A separate account in the general ledger will be prepared annually to document estimates for each year and the updated subsequently. This will ensure an audit trail for yearly review. This is expected to be completed by May 16, 2014.

The Hospital also uses the balance, age and composition of gross patient accounts receivable as of the end of every month and the end of the year. Bad Debt is reviewed monthly to assure accuracy and adequacy.

Prior year comments

1. Accounting for underwater endowments

Observation

L+M enjoys a significant endowment whose income contributes to L+M's profitability. One aspect of the prudent management of an endowment is monitoring investment values as compared to the original corpus of donations to identify underwater endowments, or those endowments whose fair value are below their original cost. U.S. GAAP requires that any such shortfalls be both disclosed in the financial statements, and funded from unrestricted net assets. As of September 30, 2011, L+M had approximately $210,000 in underwater endowment funds in total which were not disclosed in the financial statements nor funded from unrestricted net assets.

Recommendation

While the amount is not material as of the end of fiscal year 2011, the amount could become material in future years and should be monitored going forward, with the adjustment and disclosure being made if it becomes material.

Prior Year Update

L+M maintains a listing of gifts with their historical book value and market values. The historical book values are as of a point in time when the Foundation implemented accounting pronouncements which required these assets to be held as permanently restricted, temporarily restricted or unrestricted net assets. There is one gift whose market value is below historical book value as of September 30, 2012. This is an old fund whose donor purpose is not clear and based on management's current reading may be considered quasi endowment, in which case would not be required to make an adjustment. The dollar amount of the fund and the amount it is underwater is immaterial to L+M's financial statements.

Upon further analysis, we recommend to L+M that it unitize its endowment funds. Unitizing endowment funds would allow for funds to purchase shares of the investment pool based on the fair market value of the assets at the time of receipt of the gift. A fund that is older, in theory, would have a great number of shares in the pool as the endowment investments grow allowing the hospital to provide a fairer allocation of income, gains, and unrealized gains to its funds. Unitizing endowments is the "norm" in not-for-profit organizations that receive endowment funds from donors.

By not unitizing the endowment funds, the hospital may be incorrectly allocating income, realized gains, and unrealized gains to its funds. Although this would not have an impact to the overall financial statements, certain funds may receive more or less total return with the implementation of unitization. In addition, such misallocations may have legal ramifications under trust laws.

Current Year Update

In discussions with management we have learned that they are currently considering outsourcing the asset management and record keeping for endowment assets for all entities within the Corporation. We consider this comment closed in light of that.

2. Terminated users

Observation

Lawrence and Memorial Hospital has established formal security administration policies and procedures which outline how user accounts are added, changed, and removed from the Hospital's systems. As part of this year's audit, PwC tested management's procedures for removing access to the Meditech system and network for terminated employees. PwC noted 1 of 10 employees maintained access to Meditech beyond 2 weeks from their date of termination.

In addition to standard yearly termination procedures performed, PwC also performed procedures to evaluate the reasonableness of users with access to modify the Meditech User Dictionary. Upon review, PwC noted that there was 1 Information Services user who maintained access to modify the Meditech User Dictionary after their date of termination.

PwC obtained the User Audit reports for each individual noted above and concluded that they did not access Meditech after their date of termination.

Recommendation

(Please note that this recommendation was made upon conclusion of both the FY2009 and FY2010 IT audit procedures)

Removing terminated users from the system timely helps ensure unauthorized transactions are noted performed.

Management indicated that individuals responsible for removing access to the system did not properly execute the security policies and have been re-educated on the process. Management should consider performing periodic reviews (e.g., monthly) of terminated employees to identify and remove their access.

Current year update

We note that this comment is closed.

5. Monitor and review vendor access to information technology systems - forward looking comment

Observation / Impact

Meditech is a vendor supported application in which the vendor maintains full, 24x7 access to the system and can perform changes to programs and data in the production environment. While this access may be needed to ensure uninterrupted processing of each system, no formal controls are in place to verify the appropriateness of the vendor activities when a vendor is accessing the system. In addition, no attempt to limit access to vendor accounts is occurring when the account(s) are not in use.

Recommendation

Management should consider implementing one or more of the following controls:

a) Disabling remote access for the vendor accounts and implementing a control to enable remote access through a formalized request process (i.e. help desk ticket).

b) Implementing formal controls which alert management when the vendor accesses the system and monitor the vendor's activity. These controls should also include procedures to verify the appropriateness of the access and validate any changes performed.

Current year update

This observation remains open. L+M IT management has not implemented preventative or detective controls to monitor vendor access to the Meditech environment.

Management response

With the protections afforded healthcare providers under HIPAA and HITECH, it is in the best interest of all business associates to protect confidential and protected health information to the utmost degree possible. Given the risks and liability that each business associate now faces, it is in the best interest of our vendors/partners to maintain the high level of security possible within their own staff and their staff access client systems. With that said, L+M IS leadership understands the point that PwC is making. Over the next year, L+M IS leadership will evaluate the risk vs the operational demands this recommendation requires and implement for high risk areas that can be accommodated within our existing staffing structures.

6. Accounting and planning for nonrecurring transactions

Observation / Impact

During the year, the VNA of Southeastern Connecticut (VNASC) changed its year end from June 30 to September 30. As a result of those changes, there were some significant accounting questions and research that needed to be resolved in order for the audited

financial statements to be prepared. Many of these accounting questions were being addressed during the financial statement closing process.

As the Hospital comes closer to the closing of the Westerly Hospital transaction, the Hospital should be considering the impact of the transaction on the 2013 financial statements prior to the closing of the acquisition.

Recommendation

We recommend that management perform research for known accounting transactions more timely and pull this out of the financial statement closing process. For the Westerly Hospital acquisition, management should begin now to address the purchase accounting implications as well as consolidation and disclosure implications. Management should ensure that the accounting resources for the Westerly transaction are appropriate to be able to account for the increased volume of work as well as ensuring appropriate staff are in place to account for the complexities of purchase accounting.

Management should also consider, with the VNASC change in year end, whether closing and review processes over the VNASC need to be modified in order to expedite the Corporation financial statement close.

Current year update

There were no significant changes relative to VNASC this year, however, the Westerly Hospital acquisition occurred during the fiscal year. We continue to recommend that management be proactive in researching the proper accounting and disclosures for such unusual transactions. Despite best efforts this year, the analysis wasn't completed until the end of the closing process. No further merger and/or acquisition transactions are contemplated therefore we consider this comment closed.

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Lawrence + Memorial Corporation and Subsidiaries

Recommendations with Respect to Accounting and Operating Controls and Procedures

September 30, 2015

pwc

January 5, 2016

Audit Committee of Lawrence + Memorial Corporation
New London, Connecticut

Dear Committee Members:

In planning and performing our audit of the financial statements of Lawrence + Memorial Corporation and Subsidiaries ("L+M" or the "Corporation") as of and for the year ended September 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on L+M's internal control over financial reporting. Accordingly, we do not express an opinion on L+M's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses as defined in the recent amendment to AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, of the *AICPA Professional Standards* and shown below:

Control Deficiency—exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Significant Deficiency—a control deficiency, or combination of control deficiencies, that adversely affects L+M's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

Material Weakness—a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

This letter is intended solely for the information and use of the Audit Committee, The Board of Directors, management or other within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the assistance of the Corporation and the opportunity to have been of service to you. If you would like any further information or would like to discuss any of the issues raised, please contact us at your convenience.

Very truly yours,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Contents

Current year comments 1
Lease Classification Analysis 1
Signatories on check disbursements 1
Plant, property and equipment monitoring 2
Finance office succession planning 2
Third party balance analysis 3
Prior year comments 4
Changes to master vendor file 4
Internal controls over Westerly Hospital accounts 5
Fair value of debt disclosures 5

Current year comments

1. Lease Classification Analysis

Observation / Impact

During the current year audit, we performed auditing procedures over new and existing lease agreements to ascertain that classification between capital and operating was appropriate. While we did not note any misstatements in performing this test, we did note that L+M Hospital did not always have clear written documentation of their assessment of the accounting treatment for each lease. Currently, US GAAP has a definition of what constitutes a capital lease (i.e. one included as an asset and liability on the balance sheet). There are four criteria which must be assessed in making the determination.

Recommendation

We recommend that L+M create a policy that requires contemporaneous documentation of their analysis over leases and the conclusion for each lease as to its classification.

Management's response

Management concurs that adequate documentation supporting the capital vs. operating lease determination is an area of opportunity and will make a concerted effort to review and document the evaluation for all purchases that have a lease component going forward.

2. Signatories on check disbursements

Observation / Impact

During the current year audit, we performed certain tests of controls over disbursements. One such test was to test L+M's adherence to internal policies regarding the signatories on check disbursements. L+M's policy is that all checks over $50 thousand are signed by two individuals. In our testing, we found that one out of 15 checks examined did not have the requisite number of signatories. We do note that the transaction itself was approved. When we inquired as to the reason, we were informed that it was due to the Corporate Controller being on vacation. We note that there are four authorized signatories, such that an individual vacation would not impair L+M's ability to adhere to this policy.

Recommendation

We recommend that L+M ensure that policies and procedures in place are followed regularly throughout the year, including during times when certain signers are not in the office.

Management's response

Management concurs with the recommendation. Dual signature is a Hospital policy on checks greater than $50,000. The Controller signs first and then passes to a Senior Executive for second signature. A summary report of all checks issued is also reviewed by both the Controller and CFO. Staff in Accounts Payable will be reminded that checks greater than $50,000 need dual signature even if Controller is not available, reiterate the authorized signatures, and outline an escalation process to the CFO in the absence of the Controller.

3. Plant, property and equipment monitoring

Observation / Impact

During the current year audit, we noted that certain fixed assets were written off in 2015, but had been retired in the previous year. The assets were fully depreciated and therefore, there was no gain or loss, nor any net impact to the balance sheet, however, the audited financial statements contain a disclosure of the gross value of fixed assets and accumulated depreciation. This disclosure was "grossed up" in that the gross number and the accumulated depreciation were overstated. We note that the impact was not material to the footnote nor the financial statements taken as a whole.

Recommendation

We recommend that L+M implement a policy where the fixed asset listing, with a particular emphasis on fully depreciated assets, is reviewed periodically to ensure that retired assets are taken off of the books contemporaneously.

Management's response

Management concurs with recommendation and will revisit our asset disposition policy to include periodic reviews of fully depreciated assets and random audits. It is also planned to continue preparation for the pending Yale New Haven Health System affiliation by distributing fixed assets by department for review and verification of recorded assets, as well as evaluating and adopting appropriate and relevant policies to improve standardization.

4. Finance office succession planning

Observation / Impact

L+M has a talented Corporate Controller who has been in that position for many years and is very knowledgeable of the Corporation and the industry. Over the past few years, the Assistant Controller position has turned several times, and is currently vacant. During the same time period, the demands on the Finance office have continued to increase with the acquisition of another Hospital, several debt offerings, and an affiliation agreement in place with a larger hospital system. The additional demands

coupled with reduced support have put a tremendous amount of pressure on the Corporate Controller, and has resulted in a workload distribution that is difficult to manage. While we noted no significant deficiencies or material weaknesses during our testing, we believe there is an opportunity to strengthen the team underneath the Corporate Controller to improve efficiency of the office and the segregation of duties in the office.

Recommendation

We recommend that L+M review and assess the current staffing plan in the Finance office, coupled with the resources that may be gained with the affiliation with Yale New Haven Health System, to strengthen the team underneath the Corporate Controller, including a qualified Assistant Controller. Additionally the Corporation should ensure adequate ongoing training is provided to all finance staff.

Management's response

Management concurs with the recommendation. Over recent history additional division of duties have been created across the broader Finance team, including Central Business Office and Budgeting areas, in an attempt to develop competencies and improve division of duties. Within the Financial Controllers area, there were additional position impacts following The Westerly Hospital acquisition that targeted providing greater support for the incremental workload. However, after a year of experience, additional roles were modified to reflect growing demands and need for standardization, with several positions being eliminated to provide better alignment of accounting and cost reporting. Due to the pending affiliation with YNHHS, gaps are currently being filled with consulting and temporary support until the broader financial structure can be finalized, which is expected to include adoption of new systems, standard policies and procedures broadly across the financial areas. The Controller and CFO will continue to make more specific and targeted staff development plans that attempt to provide a better work load balance.

5. Third party balance analysis

Observation / Impact

L+M operates in a complex business environment relative to billing, compliance and reimbursement. In the normal course of business, L+M must make estimates of amounts to be received or to be paid to third party payors as a result of cost reports or audits. There are many elements to the calculation, which is normally analyzed by payor and by year of the original patient charges. Further, as the amounts recorded are estimates, facts and circumstances change over time, the estimates often do as well. US GAAP requires that changes in estimates from prior years which impact income from operations be disclosed in the footnotes to the financial statements, and due to the uncertainty surrounding this process, there typically is a fairly sizeable change in estimate to disclose. Currently the analysis performed to calculate this number is prone to error as it is Excel based, and doesn't roll the balances from one period to the next.

Recommendation

We recommend that L+M implement a policy to create an analysis which rolls individual balances forward, from one year to another, utilizing the components of change such as cash payments or receipts, new reserves/receivables and changes in estimate. This method will yield a more accurate number, and will be useful to Management in understanding and analyzing the changes.

Management's response

Management concurs with recommendation. This process is performed routinely, though more informally, at each monthly close to approximate and true up the third party estimates, with a more thorough process on a quarterly basis. The process and schedule used by the auditors will be incorporated in our analysis and documentation going forward.

Prior year comments

1. Changes to master vendor file

Observation / Impact

During our walkthrough procedures in the prior year we noted that accounts payable staff have the ability to edit fields of the master vendor file. While only materials management currently has the ability to add vendors, it wouldn't be difficult for an accounts payable staff person to edit the name and address of an existing vendor who is used infrequently or not at all anymore. There have been some high dollar, high profile misappropriation of assets cases over the past several years where accounts payable staff have used this ability or the ability to create new vendors to inappropriately create checks to themselves.

Recommendation

We believe that enhancements to the current controls structure would be prudent, specifically, removal of the ability of accounts payable staff to edit fields is recommended so that appropriate segregation of duties is maintained in this area.

Current year update

Management's plan in 2014 was to fill a role which was to be a payroll supervisor and accounts payable supervisor, and that role was to have the responsibility of making any changes to the vendor master file. Management has not yet been able to fill that role, and therefore, has been unable to execute on their plan. As a temporary process until that role is filled, management has had materials management manage changes to the master vendor file. We recommend that accounts payable staff have their ability to edit the master vendor file revoked to ensure proper segregation of duties.

2. Internal controls over Westerly Hospital accounts

Observation / Impact

During the current year audit, we performed auditing procedures over material Westerly Hospital accounts. In addition to substantive testing, we performed certain tests of controls over Westerly Hospital accounts. We noted during our testing that there is currently no payroll reconciliation being performed between Kronos, the payroll subledger, and Paragon, the general ledger system. While we did not note any differences in the selections we made, we believe that periodic reconciliation is important to ensure any errors are detected and corrected in a timely manner.

Additionally during testing we noted that management is not currently performing an analysis over investments to identify and account for investments which may be other than temporarily impaired. We did not note in our testing any such impairments, however, it is important for management to periodically review investment accounts as from time to time these impairments do happen.

Lastly, we noted that there were no releases from restriction at Westerly Hospital during the year. Westerly Hospital, as of September 30, 2014, has a permanently restricted net asset balance of approximately $9.6 million and a temporarily restricted net asset balance of approximately $1.2 million dollars.

Recommendation

We noted that L+M Hospital and its subsidiaries had a stable set of internal controls as it applies to the financial reporting process. We noted that Westerly Hospital has similar control requirements to L+M Hospital, and many of the internal controls in place at L+M Hospital would be appropriate internal controls to have in place at Westerly Hospital. We recommended that management perform a thorough review and assessment of the controls currently in place at Westerly Hospital, identify any gaps, and work to correct any such gaps identified. The areas noted above are three areas we specifically identified as areas which controls could be enhanced.

Current year update

During 2015 L+M has implemented similar controls, specifically in the payroll area, to continue to strengthen the controls in place at Westerly. All key account reconciliations are being performed at Westerly, and L+M continues to examine processes and make enhancements where appropriate. We consider this comment closed.

3. Fair value of debt disclosures

Observation / Impact

US GAAP stipulates that the fair value of debt be disclosed in the footnotes to the financial statements for all debt, notwithstanding the fact that most organizations book debt in the financial statements at

the book value rather than fair value. L+M has in the past been able to obtain fair value estimates for fixed rate bond issuances for disclosure in the financial statements, however last year there was a new issuance of fixed rate debt for which a valuation was not obtained. Note that generally speaking, variable rate debt book value amounts are representative of fair value as the market place is continuously resetting the interest rate, accordingly, L+M has taken the position that book value is a proxy for fair value and disclosed that fact. We concur with that conclusion, but note that for fixed rate debt, a valuation is needed to estimate the fair value in order to make the appropriate required US GAAP disclosures.

Recommendation

We recommended that L+M work with a valuation firm to obtain a fair value calculation for each fixed rate set of debt annually for disclosure in the year-end financial statements. As it had proven difficult for this particular series, we recommended that management begin the process earlier next year to ensure that information is obtained in time for inclusion in the financial statements going forward.

Current year update

We note that a similar issue was encountered this year in that the Management was unable to obtain a valuation for Series G. We continue to recommend that Management utilize a valuation firm to obtain a valuation for the series.

Exhibit 10

STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

Connecticut Health & Educational Facilities Authority
Lawrence & Memorial Hospital; Hospital

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Table Of Contents

Rationale

Outlook

Enterprise Profile

Financial Profile

Related Criteria And Research

1387457 | 300171391

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Connecticut Health & Educational Facilities Authority
Lawrence & Memorial Hospital; Hospital

Credit Profile

Connecticut Hlth & Educl Facs Auth, Connecticut
Lawrence & Memorial Hospital, Connecticut

Series 2011F

Long Term Rating	A-/Negative	Downgraded

Rationale

Standard & Poor's Ratings Services lowered its rating to 'A-' from 'A' on the Connecticut Health & Educational Facilities Authority's series F bonds issued for Lawrence & Memorial Hospital (L&M). The outlook is negative.

We lowered the rating based on L&M's weakened financial profile characterized by continued operating losses, a weaker reserve position, and coverage not in line with the rating. We assess the enterprise profile as strong with dominant market share. We assess the financial profile as adequate characterized by operating losses in the last two fiscal years and budgeted for the current fiscal year. Combined, we think these credit factors lead to an indicative rating level of 'bbb+'. As our criteria states, the final rating can be within one notch of the indicative credit level. In our view, the 'A-' rating on the hospital's bonds better reflects the expected improvement in operating performance, strong balance-sheet characteristics, and maintenance of the strong business position.

The rating reflects our assessment of L&M's weaknesses, including:

- A sharp decrease in operating profitability in the last three fiscal years from historical levels;
- Continued volume softness in fiscal 2014;
- A weakened balance-sheet position with less financial flexibility than when we assigned our rating.

The rating reflects our assessment of L&M's strengths, specifically its:

- Dominant business position in the primary service area with about 68% market share;
- Significant focus on expense-control measures and improving operating performance; and
- Healthy reserves relative to debt, which are above median levels.

Our rating is based on our view of L&M's group credit profile (GCP) and the obligated group's "core" status. Accordingly, the long-term rating is at the level of the GCP. A pledge of gross receipts of the obligated group, which includes the parent Lawrence & Memorial Corp. and Lawrence & Memorial Hospital Inc., secures the bonds. Entities outside the obligated group include Westerly Hospital, a foundation, physicians, a home health agency, a captive insurance company, and other joint ventures. The financial figures in this report refer to the system as a whole, unless otherwise noted.

L&M is a 273 staffed-bed hospital, primarily serving 10 towns in southeastern Connecticut.

Outlook

The negative outlook reflects our opinion that the current financial profile is not in line with the rating, but, given management's improvement initiatives, we expect that cash flow and margins will improve and coverage will be in line with the rating, allowing the organization to at least maintain or improve the balance sheet.

Downside scenario:

A lower rating is possible if operating profitability and cash flow does not improve as expected or the balance sheet materially weakens such that it is no longer in the line with the rating.

Upside scenario:

A return to a stable outlook is possible if L&M demonstrates a trend of operating improvement and maintains its business position and a stable balance sheet.

Enterprise Profile

Industry risk

Industry risk addresses the health care sector's overall cyclicality and competitive risk and growth by applying various stress scenarios and evaluating barriers to entry; the level and trend of industry profit margins; risk from secular change and substitution of products, services, and technologies; and risk in growth trends. We believe the health care services industry represents an intermediate credit risk when compared to other industries and sectors.

Economic fundamentals

The primary service area includes: New London, East Lyme, Groton, Ledyard, Lyme, Montville, North Stonington, Old Lyme, Stonington, and Waterford. New London County's population has grown over the last five years, though we expect minimal population growth over the next five. New London County major's employers include two local casinos, local universities, and a U.S. naval submarine base. We expect increasing employment and income levels over the next five years.

Market position

L&M maintains about a 68% market position in the primary service area (through 2013; more recent data were not available). Competition in the area is limited to two main hospitals: William W. Backus Hospital (part of Hartford Health) and Yale New Haven Hospital. Within 60 miles of L&M are two additional tertiary providers: Hartford Hospital and Rhode Island Hospital. In June 2013, L&M acquired the assets of Westerly Hospital, a 125-bed general acute-care hospital in Westerly, R.I. As part of the transaction, L&M agreed to fund $30 million in capital for Westerly Hospital over five years, about half of which is already committed there. We believe the Westerly acquisition allows L&M to extend its geographic reach, though market share in that part of the service area seems to have shifted from Westerly to the hospital in New London and L&M's share hasn't increased to date.

L&M employs about 88 physicians (both primary care physicians and specialists) and also has exclusive service

arrangements with other physicians. Management hopes to extend its reach in the market with growth in the employed-physician group and believes this alignment better prepares the system for health care reform initiatives. The employed group is dilutive to the system and management expects that support will continue in a significant way, though we believe the strategy will likely benefit the organization over time. With regard to other staff, L&M is in labor contracts with three unions representing over 1,200 full-time equivalents (FTEs). Following a strike (which lasted four days) and lock-out in November-December 2013, all three unions are currently under contract.

Management and governance

There have been some changes in senior management, including the CFO and in physician leadership. We believe there are challenges still facing L&M, including volumes, reimbursement, and expense management. Management, working with a consultant, is working on cost-containment initiatives which should assist the team in improving results as forecasted. In addition, the organization continues to pursue partnerships with, for example, Dana Farber for cancer services and as a member of ValueCare Alliance (a five-system group of Connecticut hospitals focused on sharing best practices and efficiencies), which could benefit L&M over time.

Table 1

Lawrence & Memorial Corp. and Subsidiaries -- Selected Enterprise Statistics

	Fiscal year ended Sept. 30	
	2014	**2013**
PSA population	173452*	173,452
PSA market share %	67.9*	67.9
Inpatient admissions**	14,492	15,177
Equivalent inpatient admissions	38,951	37,922
Emergency visits	107,770	107,781
Inpatient surgeries	3,268	3,297
Outpatient surgeries	8,265	8,975
Medicare case mix index	1.371	1.359
FTE employees	2,379	2,429
Active physicians	349	361
Top 10 physician admissions (%)	N.A.	N.A.
Based on net/gross revenues (Net)		
Medicare %	34.7	33.3
Medicaid %	11.0	11.9
Commercial / Blues %	51.1	51.2

*Fiscal year 2013 data carried over for estimate. **Inpatient admissions exclude newborns, psychiatric, and rehabilitation admissions. N.A.--not available.

Financial Profile

Financial policies

We believe the financial policies assessment of neutral reflects our opinion that financial reporting and disclosure, investment allocation and liquidity, debt profile, contingent liabilities, and legal structure are appropriate for an

organization of its type and size and are not likely to weaken the organization's future ability to pay debt service.

Financial performance

After reaching its peak in fiscal year 2010, L&M's operating profitability decreased sharply in fiscal 2012 and dropped to a loss in fiscal years 2013 and 2014, following unanticipated expense increases and revenue decreases. In the most recent fiscal year, losses accelerated and operating challenges included wage index reclassification, a labor strike and lockout period, and a state hospital tax. The labor dispute had the most significant effect on the year with a negative impact of about $14.2 million. Excluding the nonrecurring expenses and diverted revenue, there still would have been an operating loss in fiscal 2014, though, indicating additional strain. For the first quarter of fiscal 2015, the system is reporting that operating results are negative but ahead of budget and prior year. The budget for the full fiscal year is for a negative 1.2% operating margin with improving performance thereafter. Management forecasts that operating performance will reach break-even in fiscal 2016 and margins will reach 3% in fiscal years 2017 and 2018. These projections include the expected increasing pressure from the hospital tax, continued reimbursement pressures, and significant expense savings.

Liquidity and financial flexibility

Historically, the balance sheet has been a credit strength, with solid reserves relative to debt and relatively low leverage levels. At the current rating, these metrics remain ahead of median levels and offset the weaker cash flows and performance. We do not expect any additional debt and reserves should be stable to improving if cash flows improve as indicated by the projections.

Debt and contingent liabilities

The obligor has contingent liability risk exposures from financial instruments with payment provisions that change on the occurrence of certain events, but we consider the risk manageable at the current rating level. In October 2013, L&M issued $30 million in long-term fixed-rate debt (series G), which was a direct purchase arrangement with Bank of America Merrill Lynch. In November 2013, L&M issued the series H bonds to refinance the series E bonds—the bonds are secured by a TD Bank letter of credit. L&M has almost 80% fixed-rate debt versus about 20% variable-rate debt, though contingent debt (the series G and H) is equal to $50.6 million. Our understanding is that the direct purchase agreement documents contain covenants, including requirements to maintain 75 days' cash on hand, debt to capitalization not more than between 0.5x and 1x, and debt service coverage of not less than 1.25x to 1.0x. Related to the series G, we understand that there is a 30-day cure period for certain covenants, which we feel mitigates some of the acceleration risk. In addition, the organization's solid unrestricted reserves to contingent liabilities somewhat mitigates the risks associated with the contingent debt.

Table 2

Lawrence & Memorial Corp. and Subsidiaries -- Selected Financial Statistics

		Fiscal year ended Sept. 30		Medians: Stand-alone hospitals 2013		
	Three-month interim ended Dec. 31, 2014	2014*	2013	'A'	'A-'	'BBB+'
Financial performance						
Net patient revenue ($000s)	111,530	433,231	358,190	407,064	295,008	282,104
Total operating revenue ($000s)	117,282	451,458	377,151	MNR	MNR	MNR

Table 2

Lawrence & Memorial Corp. and Subsidiaries -- Selected Financial Statistics (cont.)						
Total operating expenses ($000s)	119,219	473,588	387,805	MNR	MNR	MNR
Operating income ($000s)	(1,937)	(22,130)	(10,654)	MNR	MNR	MNR
Operating margin (%)	(1.65)	(4.90)	(2.82)	2.40	2.30	1.40
Net non-operating income ($000s)	1,698	13,456	11,111	MNR	MNR	MNR
Excess income ($000s)	(239)	(8,674)	457	MNR	MNR	MNR
Excess margin (%)	(0.20)	(1.87)	0.12	5.00	4.30	2.80
Operating EBIDA margin (%)	5.25	1.97	4.04	9.50	9.30	8.20
EBIDA margin (%)	6.60	4.81	6.79	11.80	11.10	10.80
Net available for debt service ($000s)	7,851	22,360	26,345	48,293	34,493	28,279
Maximum annual debt service ($000s)	9,569	9,569	9,569	MNR	MNR	MNR
Maximum annual debt service coverage (x)	3.28	2.34	2.75	4.40	3.40	3.30
Operating lease-adjusted coverage (x)	3.28	1.85	2.13	3.60	2.80	2.70
Liquidity and financial flexibility						
Unrestricted reserves ($000s)	237,957	219,961	212,892	253,597	171,886	138,850
Unrestricted days' cash on hand	193.8	180.0	213.0	245.60	191.60	187.30
Unrestricted reserves/long-term debt (%)	225.1	202.6	210.8	179.10	139.00	123.30
Unrestricted reserves/contingent liabilities (%)	470.2	434.7	412.5	MNR	MNR	MNR
Average age of plant (years)	9.8	10.0	10.9	10.90	10.60	11.30
Capital expenditures/depreciation and amortization (%)	23.4	93.6	219.4	127.40	123.50	112.90
Debt and liabilities						
Long-term debt ($000s)	105,710	108,588	101,002	MNR	MNR	MNR
Long-term debt/capitalization (%)	29.2	31.0	29.1	27.60	35.20	34.20
Contingent liabilities ($000s)	50,605	50,605	51,615	MNR	MNR	MNR
Contingent liabilities/long-term debt (%)	47.9	46.6	51.1	MNR	MNR	MNR
Debt burden (%)	2.01	2.06	2.46	2.80	3.20	3.20
Defined benefit plan funded status (%)	N.A.	73.51	72.61	84.60	82.00	78.40

*2014 includes about $14.2 million of negative impact due to the labor strike. Excluding this amount, the operating loss would have been closer to $7.3 million (negative 1.6% margin). Days' cash on hand would have been 185 without the nonrecurring expenses. N.A.--Not applicable. MNR--Median not reported.

Related Criteria And Research

Related Criteria

- USPF Criteria: U.S. Not-For-Profit Acute-Care Stand-Alone Hospitals, Dec. 15, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- USPF Criteria: Commercial Paper, VRDO, And Self-Liquidity, July 3, 2007
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012
- General Criteria: Methodology: Industry Risk, Nov. 20, 2013

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Related Research

- Glossary: Not-For-Profit Health Care Ratios, Oct. 26, 2011
- U.S. Not-For-Profit Health Care Outlook Remains Negative Despite A Glimmer Of Relief , Dec. 17, 2014
- U.S. Not-For-Profit Health Care Stand-Alone Ratios: Operating Margin Pressure Signals More Stress Ahead, Aug. 13, 2014
- Health Care Providers And Insurers Pursue Value Initiatives Despite Reform Uncertainties, May 9, 2013
- Standard & Poor's Assigns Industry Risk Assessments To 38 Nonfinancial Corporate Industries, Nov. 20, 2013
- Alternative Financing: Disclosure Is Critical To Credit Analysis In Public Finance, Feb. 18, 2014
- Health Care Organizations See Integration And Greater Transparency As Prescriptions For Success, May 19, 2014
- U.S. Not-For-Profit Health Care: Competition And Reform Continue To Spur Mergers, Oct. 24, 2014

1387457 | 300171391

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Exhibit 12

Inventory of L+MMG Physicians by Location and by Specialty, in the Westerly Hospital Service Area

#	Name	Specialty	Practice Name	Address	FT/PT[2] Status at Location
1	Henry Amdur, MD	Ob-gyn	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
2	Brenda Applegate, MD	Family Medicine	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	FT
3	Paul Benoit, Jr. MD	Orthopedic Surgery	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 204, Westerly, RI 02891	FT
4	Michael Betler, DO	General Surgery	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 204, Westerly, RI 02891	FT
5	Paul Bourguignon, MD	Vascular Surgery	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 204, Westerly, RI 02891	FT
6	Shereene Brown, MD	Ob-gyn	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
7	Marshall Carpenter, MD[3]	Ob-gyn/MFM	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
8	Jeffrey Christian, MD	General Surgery	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 204, Westerly, RI 02891	FT
9	Robert Ciotola, MD	Family Medicine	LMPA Mystic	23 Clara Drive, Mystic, CT 06355	FT
10	William Conlin	Internal Medicine	LMPA Groton	404 Thames Street, Groton, CT 06340	PT
	William Conlin, MD	Internal Medicine	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
11	Adrian Hamburger, MD	Interventional Pain Management	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 201, Westerly, RI 02891	FT
12	Michael Harwood, MD	Dermatology	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 201, Westerly, RI 02891	FT
13	Jenny Hyppolite, MD	Internal Medicine	LMPA Groton	404 Thames Street, Groton, CT 06340	FT
14	Brandi Iovino, DO	Internal Medicine	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
15	Louis Iovino, DO	Internal Medicine	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
16	Saima Khalid, MD	Family Medicine	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	FT
17	William Kober, MD	Family Medicine	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	FT
18	R. Preston Lamberton, MD	Endocrinology	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
19	Lisa Licare, MD	Ob-gyn	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
20	Brandon Luk, MD	Family Medicine	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	FT
21	Vincent MacAndrew, MD	Orthopedic Surgery	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 204, Westerly, RI 02891	FT
22	Alexander Miano, MD	Psychiatry	LMPA Mystic	23 Clara Drive, Mystic, CT 06355	PT
	Alexander Miano, MD	Psychiatry	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
23	Timothy Olson, MD	Interventional Pain Management	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 201, Westerly, RI 02891	PT
24	Adrienne Lynne Marold Parad, MD	Family Medicine	LMPA Mystic	23 Clara Drive, Mystic, CT 06355	FT
25	Nimesh Patel, DO	Internal Medicine	LMPA Groton	404 Thames Street, Groton, CT 06340	FT
26	Stephen Phelan, MD	Endocrinology	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	FT
27	Stephen Quevedo, MD	Endocrinology	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
28	Amarilis Talavera-Briggs, MD	Psychiatry	LMPA Groton	404 Thames Street, Groton, CT 06340	PT
29	Edward Watson, MD	Ob-gyn	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 104, Westerly, RI 02891	PT
30	Mae Whelan, DO	Endocrinology	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
31	Tara Whelan, DO	Dermatology	LMPA Stonington	91 Voluntown Road, Pawcatuck, CT 06379	PT
	Tara Whelan, DO	Dermatology	LMPA Westerly Morgan Building 45	45 Wells Street, Suite 201, Westerly, RI 02891	PT

(1) Westerly Hospital service area includes the following zip codes: 02891, 02807, 02808, 02813, 02832, 02833, 02894, 02804, 06340, 06355, 06388, 06339, 06359, 06372, 06379, and 06378.

(2) FT=full-time, PT=part-time. Refers to amount of time spent at location, and not clinical FTE.

(3) Contracted physician, and not an employee of L+MMG.

DOHP0579A30

Exhibit 15

Execution Version

AFFILIATION AGREEMENT

BY AND BETWEEN

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AND

LAWRENCE + MEMORIAL CORPORATION

TABLE OF CONTENTS

		Page
ARTICLE 1	INCORPORATION OF RECITALS; DEFINITIONS	2
1.1	Recitals	2
1.2	Definitions	2
ARTICLE 2	TERMS OF AFFILIATION	2
2.1	Affiliation Structure	2
2.2	Maintenance of Separate Corporate Existence	5
2.3	Continuation of Missions and Dedication to Community Benefit	5
2.4	Employment Matters	6
2.5	YNHHSC System-wide Policies	6
2.6	Maintenance of Medical Staff	7
2.7	YNHHSC Branding	7
2.8	Management Services	7
2.9	Benefits and Privileges	7
2.10	Obligated Group	8
2.11	YNHHSC Resource Commitments	8
2.12	Strategic Plan	10
2.13	Compliance with YSM Affiliation Agreement	10
ARTICLE 3	REPRESENTATIONS AND WARRANTIES WITH RESPECT TO L+M AFFILIATES	11
3.1	Organization of L+M	11
3.2	Authorization of Transaction	11
3.3	Non-Contravention	12
3.4	Brokers' Fees	12
3.5	Title to Assets	12
3.6	Subsidiaries and Related Entities	14
3.7	Financial Statements	14
3.8	Subsequent Events	15
3.9	Compliance with Law	16
3.10	Tax Matters	20
3.11	Material Contracts	22

TABLE OF CONTENTS
(continued)

		Page
3.12	Intellectual Property	23
3.13	Transactions with Affiliates	23
3.14	[Reserved]	23
3.15	Litigation	24
3.16	Labor Relations	24
3.17	Employee Benefits	25
3.18	Environmental, Health, and Safety Matters	27
3.19	Books and Records	27
3.20	Illegal Payments	28
3.21	Bankruptcy	28
3.22	Information Systems	28
3.23	Foreign Operations	28
3.24	[Reserved]	28
3.25	Insurance Coverage	28
3.26	Regulatory Matters	29
3.27	Consents and Approvals	30
3.28	Billing, Recoupments and Overpayments	30
3.29	Medical Staff Matters	31
3.30	Clinical Trials	31
3.31	Relationship with Pharmaceutical and Medical Device Manufacturers, Vendors and Suppliers	31
3.32	Solvency of the L+M Affiliates	32
3.33	Charitable Funds	32
3.34	No Undisclosed Liabilities	32
3.35	Completeness of Disclosure	32
ARTICLE 4	REPRESENTATIONS AND WARRANTIES OF YNHHSC	33
4.1	Organization of YNHHSC	33
4.2	Authorization of Transaction	33
4.3	Non-Contravention	34
4.4	Brokers' Fees	34

TABLE OF CONTENTS
(continued)

		Page
4.5	Title to Assets	34
4.6	[Reserved]	34
4.7	Financial Statements	35
4.8	Subsequent Events	35
4.9	Compliance with Law	36
4.10	Tax Matters	39
4.11	[Reserved]	40
4.12	Intellectual Property	40
4.13	[Reserved]	41
4.14	[Reserved]	41
4.15	Litigation	41
4.16	Labor Relations	41
4.17	[Reserved]	43
4.18	Environmental, Health, and Safety Matters	43
4.19	[Reserved]	43
4.20	Illegal Payments	43
4.21	Bankruptcy	43
4.22	[Reserved]	44
4.23	Foreign Operations	44
4.24	[Reserved]	44
4.25	[Reserved]	44
4.26	Regulatory Matters	44
4.27	Consents and Approvals	45
4.28	Billing, Recoupments and Overpayments	45
4.29	[Reserved]	45
4.30	Clinical Trials	45
4.31	Relationship with Pharmaceutical and Medical Device Manufacturers, Vendors and Suppliers	46
4.32	Solvency of the YNHHSC Affiliates	46
4.33	Charitable Funds	46

TABLE OF CONTENTS
(continued)

		Page
4.34	No Undisclosed Liabilities	46
4.35	Completeness of Disclosure	47
ARTICLE 5	OBLIGATIONS BEFORE CLOSING	47
5.1	L+M's Obligations	47
5.2	YNHHSC Obligations	52
5.3	Additional Due Diligence; Disclosure Schedules	53
5.4	Obligations in Respect of Consents and Approvals	53
5.5	Certain Expenses	55
ARTICLE 6	CONDITIONS PRECEDENT TO OBLIGATIONS OF YNHHSC	56
6.1	Representations/Warranties	56
6.2	Covenants	56
6.3	Officer's Certificate	56
6.4	Litigation or Proceedings	56
6.5	Third Party Approvals	56
6.6	Closing Deliveries	57
6.7	Notification of TD Bank	57
6.8	Bank of America Consent and Confirmation	57
6.9	Consent of CHEFA	57
6.10	[[Intentionally Omitted]]	57
6.11	No L+M Material Adverse Effect	57
6.12	No Bankruptcy	57
6.13	Certain Environmental Matters	57
ARTICLE 7	CONDITIONS PRECEDENT TO OBLIGATIONS OF L+M	58
7.1	Representations/Warranties	58
7.2	Covenants	58
7.3	Officer's Certificate	58
7.4	Litigation or Proceedings	58
7.5	Third Party Approvals	58
7.6	Closing Deliveries	59

TABLE OF CONTENTS
(continued)

		Page
7.7	Notification of TD Bank	59
7.8	Bank of America Consent and Confirmation	59
7.9	Consent of CHEFA	59
7.10	No YNHHSC Material Adverse Effect	59
7.11	No Bankruptcy	59
ARTICLE 8	TERMINATION	59
8.1	Termination	59
8.2	Effect of Pre-Closing Termination	61
8.3	[Reserved]	61
8.4	Effect of Affiliation Agreement Post-Closing	61
ARTICLE 9	CLOSING	61
9.1	Closing; Closing Date	61
9.2	Deliverables of L+M at Closing	62
9.3	Deliverables of YNHHSC at Closing	62
ARTICLE 10	LIMITATION OF REMEDIES	63
10.1	[Reserved]	63
10.2	[Reserved]	63
10.3	Exclusive Remedies	63
ARTICLE 11	GENERAL PROVISIONS	64
11.1	Headings	64
11.2	Entire Agreement	64
11.3	Third Party Beneficiaries	64
11.4	Notices	64
11.5	Counterparts	65
11.6	Assignment	65
11.7	Binding Effect	65
11.8	[Reserved]	66
11.9	Governing Law and Forum Selection	66
11.10	Severability	66

TABLE OF CONTENTS
(continued)

Page

11.11 Cost of Transaction 66
11.12 Confidentiality 66
11.13 Public Announcements 67
11.14 Survival 67

Exhibits

Exhibit 1	–	Definitions
Exhibit 2.1.1(A)	–	L+M Amended Certificate of Incorporation
Exhibit 2.1.1(B)	–	L+M Amended Bylaws
Exhibit 2.1.3(A)	–	YNHHSC Amended Certificate of Incorporation
Exhibit 2.1.3(B)	–	YNHHSC Amended Bylaws
Exhibit 2.1.4(A)	–	LMMG-NEMG Agreement and Plan of Merger
Exhibit 2.1.4(B)	–	Amended and Restated Bylaws of NEMG
Exhibit 2.1.4(C)		Amended and Restated Certificate of Incorporation of NEMG
Exhibit 2.1.5(a)(1)	–	LMH Amended Certificate of Incorporation
Exhibit 2.1.5(a)(2)	–	LMH Amended Bylaws
Exhibit 2.1.5(b)(1)	–	LMW Amended Certificate of Incorporation
Exhibit 2.1.5(b)(2)	–	LMW Amended Bylaws
Exhibit 2.1.5(c)(1)	–	VNA of Southeastern Connecticut Amended Certificate of Incorporation
Exhibit 2.1.5(c)(2)	–	VNA of Southeastern Connecticut Amended Bylaws
Exhibit 2.11	–	Key Financial Metrics
Exhibit 5.1.18	–	Consent Communications
Exhibit 5.5	–	Allocation of Certain Costs and Expenses

Disclosure Schedules

Schedule 3.1.1	–	L+M Subsidiaries
Schedule 3.5.1	–	Owned Real Property
Schedule 3.5.2	–	L+M Leased Real Property
Schedule 3.5.3	–	Flood Hazard Areas
Schedule 3.5.4	–	Conditions Affecting Assets

Schedule 3.8	–	Subsequent Events
Schedule 3.10.2	–	Tax Deficiencies and Assessments
Schedule 3.10.6	–	Real Property Certiorari Proceedings
Schedule 3.10.14	–	L+M Non-Hospital Bonds
Schedule 3.12	–	Intellectual Property
Schedule 3.13	–	Transactions with Affiliates
Schedule 3.16.1	–	Collective Bargaining Matters
Schedule 3.16.2	–	Certain Labor-Related Claims
Schedule 3.16.4	–	Violation of Certain Agreements
Schedule 3.17.1	–	L+M Plans
Schedule 3.17.4	–	Benefits Triggered by Agreements
Schedule 3.26.1	–	Deficiencies Asserted by Governmental Authorities
Schedule 3.27	–	Consents and Approvals
Schedule 3.28.2	–	Cost Report Periods
Schedule 4.1.1	–	YNHHSC Subsidiaries
Schedule 4.8	–	Subsequent Events
Schedule 4.10.2	–	Tax Deficiencies and Assessments
Schedule 4.12	–	Intellectual Property
Schedule 4.16.1	–	Collective Bargaining Matters
Schedule 4.16.2	–	Certain Labor-Related Claims
Schedule 4.16.4	–	Violation of Certain Agreements
Schedule 4.26	–	Deficiencies Asserted by Governmental Authorities
Schedule 4.27	–	Consents and Approvals
Schedule 6.5	–	L+M Third Party Approvals
Schedule 7.5	–	YNHHSC Third Party Approvals

AFFILIATION AGREEMENT

This Affiliation Agreement (this "***Affiliation Agreement***") is entered into as of July 17, 2015 (the "***Effective Date***"), by and between Yale-New Haven Health Services Corporation ("***YNHHSC***") and Lawrence + Memorial Corporation ("***L+M***") and pursuant to which, on and subject to the terms and conditions hereof, YNHHSC shall become the sole member of L+M (the "***Affiliation***"). YNHHSC and L+M may be individually referred to herein as a "***Party***" or collectively referred to herein as the "***Parties***."

RECITALS

A. L+M. L+M is a Connecticut non-stock, tax-exempt corporation that is the sole member of its Subsidiaries that operate licensed acute care general hospitals, one in New London, Connecticut and one in Westerly, Rhode Island. L+M and the L+M Affiliates also provide other health care services for the benefit of the communities they serve.

B. YNHHSC. YNHHSC is a Connecticut non-stock, tax-exempt corporation that was organized in 1983 to provide support services to a nonprofit network of affiliated health care providers known, collectively, as the Yale New Haven Health System. YNHHSC also directs and implements certain programs and activities that assist its members in providing high quality, cost-effective health services for the benefit of the communities they serve. The mission of YNHHSC includes collaborating with Yale University to initiate, develop, and maintain educational programs for health care professionals and for the public.

C. System Support. The Parties believe that the Affiliation will provide L+M with benefits in leadership, efficiencies and growth. Efficiencies will result from economies of scale as they relate to information technology, finance, insurance, equipment, supplies and other administrative services. Growth will result from the coordination and implementation of clinical and health programs that are designed to improve the quality, cost-effectiveness and accessibility of health care and educational services in the communities served by L+M. The Affiliation will enable the L+M Affiliates to achieve their mission more effectively and to continue to serve their communities.

D. Shared Values. L+M shares YNHHSC's mission and values, has a strong focus on service excellence, is a lower cost provider committed to its community, has a vibrant outpatient and primary care strategy and strong management, and provides high quality, high value, patient-centered care. L+M shares YNHHSC's commitment of continuing to serve uninsured and underinsured patients, and of continuing to provide robust community benefit and uncompensated care. L+M, with the support of the L+M Subsidiaries, and YNHHSC seek an affiliation that will drive broader efficiencies while increasing high quality outcomes, address increasing consumer demands for integrated collaborative care, manage risk more effectively, enhance the population health infrastructure, improve the efficient access to capital, and maintain and grow provider diversity, consumer choice and access to quality and affordable care.

E. Furthering Mission. The Parties further believe that L+M will add to the strength of the Yale New Haven Health System by sharing its leadership, best practices and community-based services. The Affiliation also will (i) further the commitment of YNHHSC to support the delivery of high quality, cost-effective and accessible health care services in the region; and (ii)

allow both L+M and YNHHSC to further their charitable missions and shared vision for the changing health care marketplace.

F. Best Interests. For these reasons, the Parties believe that the Affiliation as set forth in this Affiliation Agreement is in the best interests of each Party.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1

INCORPORATION OF RECITALS; DEFINITIONS

1.1 Recitals. The recitals set forth above are incorporated herein and made a part hereof.

1.2 Definitions. All capitalized terms used in this Affiliation Agreement and not otherwise defined shall have the meanings set forth in Exhibit 1.

ARTICLE 2

TERMS OF AFFILIATION

2.1 Affiliation Structure. Effective as of the Closing Date, subject to the terms and conditions of this Affiliation Agreement, YNHHSC shall become the sole corporate member of L+M and the corporate governance provisions described in this Section 2.1 shall become effective.

2.1.1 Organization and Operation of L+M. The Certificate of Incorporation and Bylaws of L+M shall be amended to appoint YNHHSC as the sole corporate member of L+M. As the sole member, YNHHSC will have certain retained and reserved powers consistent with the structure established for membership in the YNHHSC Obligated Group and will be accorded the direct authority, as the sole member of and on behalf of L+M as the sole member of the L+M Subsidiaries, to exercise with respect to the L+M Subsidiaries the same retained and reserved powers as are accorded to YNHHSC as the sole member of L+M, all as described in more detail in the L+M Amended Certificate of Incorporation and the L+M Amended Bylaws (each as defined below). The Amended and Restated Certificate of Incorporation of L+M shall, as of the Closing Date, be in the form attached as Exhibit 2.1.1(A) (the "***L+M Amended Certificate of Incorporation***"), and the Amended and Restated Bylaws of L+M shall, as of the Closing Date, be in the form attached as Exhibit 2.1.1(B) (the "***L+M Amended Bylaws***").

2.1.2 L+M Governance. Effective as of the Closing, the Parties agree that the individuals serving on the Board of Trustees of L+M as of the Closing Date shall remain on the Board of Trustees of L+M for the remainder of their respective terms, subject to the L+M Amended Bylaws, and YNHHSC shall appoint an additional member of the Board of Trustees of L+M in accordance with the L+M Amended Bylaws. Thereafter, trustees shall be elected to the Board of Trustees of L+M as set forth in the L+M Amended Bylaws.

2.1.3 Organization and Operation of YNHHSC. As of the Closing Date, the Certificate of Incorporation of YNHHSC shall be amended to include L+M as an organization that YNHHSC supports as set forth in the Amended and Restated Certificate of Incorporation of YNHHSC attached as Exhibit 2.1.3(A) (the "***YNHHSC Amended Certificate of Incorporation***"). As of the Closing Date and through at least the sixth anniversary of the Closing Date, the person who serves from time to time as the Chair of the Board of L+M shall be elected as a voting member of the Board of Trustees of YNHHSC, and such person shall be provided with the opportunity to be a member of the YNHHSC Nominating and Governance Committee; provided, however, that in the event that after the Closing Date and during the Initial Period YNHHSC becomes the sole member of a health care organization or health system of similar size, revenue and scope of clinical services to L+M of which YNHHSC is not the member as of the Effective Date and such new health care organization or health system is provided greater rights with respect to representation on the Board of Trustees of YNHHSC than L+M is afforded pursuant to this Affiliation Agreement, L+M shall be provided with the same or substantially similar rights with respect to representation on the Board of Trustees of YNHHSC as are afforded to such health care organization or health system. Other members of the Board of Trustees of L+M shall have opportunities to serve on other YNHHSC committees, as set forth in the Amended and Restated Bylaws of YNHHSC attached hereto as Exhibit 2.1.3(B) (the "***YNHHSC Amended Bylaws***").

2.1.4 Medical Foundation Matters. As of the Closing Date, (i) LMMG shall be merged with and into NEMG with NEMG surviving pursuant to an Agreement and Plan of Merger (the "***LMMG-NEMG Agreement and Plan of Merger***") in the form attached as Exhibit 2.1.4(A); (ii) two physician employees of NEMG who are members of the medical staff of LMH and/or LMW, nominated in accordance with the bylaws of NEMG, shall be elected to the board of trustees of NEMG; (iii) the president of L+M or his or her designee shall be elected to the board of trustees of NEMG; (iv) the bylaws of NEMG shall be amended and restated in the form of the Amended and Restated Bylaws of NEMG (the "***Amended and Restated Bylaws of NEMG***") attached hereto as Exhibit 2.1.4(B); (v) the certificate of incorporation of NEMG shall be amended and restated in the form of the Amended and Restated Certificate of Incorporation of NEMG (the "***Amended and Restated Certificate of Incorporation of NEMG***") attached hereto as Exhibit 2.1.4(C); and (vi) the contracts held by Sound Medical Associates, P.C. will be assigned to NEMG PLLC.

2.1.5 Other L+M Subsidiaries. As of the Closing Date, the following organizational documents of LMH, LMW and VNA of Southeastern Connecticut shall be amended and restated to provide to YNHHSC direct authority, as sole member of and on behalf of L+M as sole member of each such L+M Subsidiary, to exercise with respect to each such L+M Subsidiary the same retained and reserved powers as are provided to YNHHSC by the YNHHSC Subsidiaries that are members of the YNHHSC Obligated Group:

(a) the Certificate of Incorporation of LMH shall be amended and restated in the form of the LMH Amended Certificate of Incorporation attached as Exhibit 2.1.5(a)(1), and the Bylaws of

LMH shall be amended and restated in the form of the LMH Amended Bylaws attached as Exhibit 2.1.5.(a)(2);

(b) the Certificate of Incorporation of LMW shall be amended and restated in the form of the LMW Amended Certificate of Incorporation attached as Exhibit 2.1.5(b)(1), and the Bylaws of LMW (subject to any applicable LMW Acquisition-Related Obligations) shall be amended and restated in the form of the LMW Amended Bylaws attached as Exhibit 2.1.5.(b)(2); and

(c) the Certificate of Incorporation of VNA of Southeastern Connecticut shall be amended and restated in the form of the VNA of Southeastern Connecticut Amended Certificate of Incorporation attached as Exhibit 2.1.5(c)(1), and the Bylaws of VNA of Southeastern Connecticut shall be amended and restated in the form of the VNA of Southeastern Connecticut Amended Bylaws attached as Exhibit 2.1.5.(c)(2).

The LMH Amended Certificate of Incorporation, the LMW Amended Certificate of Incorporation and the VNA of Southeastern Connecticut Amended Certificate of Incorporation shall be referred to herein as the "***L+M Subsidiaries Amended Certificates of Incorporation***;" the LMH Amended Bylaws, the LMW Amended Bylaws and the VNA of Southeastern Connecticut Amended Bylaws shall be referred to herein as the "***L+M Subsidiaries Amended Bylaws***." From and after the Closing Date, any other L+M Subsidiaries shall be operated in conformity with the principles reflected in the L+M Subsidiaries Amended Certificates of Incorporation and the L+M Subsidiaries Amended Bylaws.

2.1.6 Support of VNA. After the Closing, YNHHSC shall support and maintain VNA of Southeastern Connecticut in a manner that is consistent with the objective of developing the capability of VNA of Southeastern Connecticut and the Yale New Haven Health System to effectively and efficiently engage in population health management and to manage the health of patients across the continuum of care.

2.1.7 Educational and Research Opportunities. After the Closing, YNHHSC and L+M shall jointly explore educational and research opportunities at the L+M Affiliates in light of their respective academic strengths and mission commitments.

2.1.8 Healthcare Facilities Commitments. After the Closing, YNHHSC and L+M shall develop and implement their strategic plans so as to maintain healthcare services facilities that support the evolving clinical service needs in the communities served by L+M. Moreover, the Parties' further agree:

(a) to work cooperatively to minimize travel for patients requiring healthcare services that can be appropriately provided by the L+M Affiliates and to encourage the return of patients originating within the communities served by the L+M Affiliates back to the originating facility and its physicians for local and specialty care

following treatment at any other Yale New Haven Health System facility;

(b) that LMW shall continue to provide the services and commitments it is obligated to provide under the LMW Acquisition-Related Obligations; and

(c) that the L+M Affiliates may maintain and preserve existing relationships with hospital-based physicians holding exclusive relationships with such L+M Affiliates, including, without limitation hospitalists, emergency physicians, pathologists, anesthesiologist, and radiologists.

2.1.9 Donor Restricted Funds. After the Closing, (i) L+M shall continue to honor any donor restrictions (temporary, permanent or as to purpose) on charitable donations made prior to the Closing Date, and (ii) any donor-imposed restrictions (temporary, permanent or as to purpose) on charitable donations made after the Closing Date shall also be honored by L+M.

2.1.10 Streamlining and Alignment of Board Structure of L+M Affiliates. During the Initial Period, and subject in the case of LMW to the LMW Acquisition-Related Obligations, YNHHSC and the L+M Affiliates shall work together to streamline and align the board structure of LMH, LMW and VNA of Southeastern Connecticut with the board structure of L+M.

2.2 Maintenance of Separate Corporate Existence. After giving effect to the Closing, the corporate existence, names, rights, privileges, immunities, powers, franchises, facilities and other licenses, duties and liabilities of L+M and each L+M Subsidiary, other than LMMG, shall be governed by the Board of Trustees of L+M or such L+M Subsidiary, as applicable, subject to the L+M Amended Certificate of Incorporation and the L+M Amended Bylaws or the L+M Subsidiaries Amended Certificates of Incorporation and L+M Subsidiaries Amended Bylaws, as applicable. Except as otherwise contemplated by this Agreement, the Affiliation shall not result in a transfer or conveyance as of the Closing Date of any asset or the assumption of any liability of either Party or any Affiliate of either Party.

2.3 Continuation of Missions and Dedication to Community Benefit. Without limiting the generality of the foregoing, each Party reaffirms its commitment to the delivery of high-quality, effective health care to the communities it serves, and to supporting, enhancing and sustaining the ability of the L+M Affiliates, within the framework of and as members of the Yale New Haven Health System, to provide high-quality, cost-effective care that will drive broader efficiencies while increasing high quality outcomes, address increasing consumer demands for integrated collaborative care, manage risk more effectively, enhance the population health infrastructure, improve the efficient access to capital, and maintain and grow provider diversity, consumer choice and access to quality and affordable care. In furtherance of the foregoing, during the five-year period after the Closing Date, L+M may dedicate and commit at least $11,000,000 ("***L+M Community Benefit Funds***") to support community benefit programs and reinvestments in the communities that the L+M Affiliates serve, including, without limitation, instituting, maintaining, preserving, and/or reinvesting in ambulance services, mental health

programs, smoking cessation programs, pediatric asthma programs, diabetes outreach, and/or services important to the community and/or at risk populations, in each case, as may be identified in a biennial community needs assessment or that otherwise are in furtherance of L+M's charitable mission; *provided, however*, that when calculating the amount of L+M Community Benefit Funds expended, such calculation shall not take into account Medicaid and/or Medicare shortfalls incurred by the L+M Affiliates. The annual amount of such L+M Community Benefit Funds shall be set forth in the L+M Affiliates' capital and operating budgets, as applicable, and so long as the L+M Community Benefit Funds set forth on such budgets are consistent with the requirements of this Section 2.3, the inclusion of such L+M Community Benefit Funds on a budget shall not be grounds for YNHHSC to disapprove, withhold, delay or condition its consent to such budgets.

2.4 Employment Matters.

2.4.1 L+M Chief Executive Officer. The president of L+M shall report to an executive officer of YNHHSC designated by the President and Chief Executive Officer of YNHHSC and to the Board of Trustees of L+M.

2.4.2 Other Employment Matters. It is the Parties' intent to minimize the impact of the Affiliation on the employees of LMH, LMW, LMMG and VNA of Southeastern Connecticut (each an "***Employee***"). In furtherance of the foregoing:

(a) In the event any Employee who is employed by an L+M Affiliate ceases such employment within ninety (90) days after the Closing and becomes employed by a different YNHHSC Affiliate within ninety (90) days after ceasing to be employed by such L+M Affiliate, the Parties agree that such Employee shall be subject to, and shall receive the benefits of, YNHHSC's applicable employment practices governing inter-affiliate transfers that are in effect at the time of the applicable employer change, as if such Employee's cessation of employment with such L+M Affiliate occurred immediately prior (and without interruption) to such Employee's employment with such other YNHHSC Affiliate. YNHHSC's current practice is to provide each Employee that becomes employed by a different YNHHSC Affiliate credit for his or her length of service at the applicable L+M Affiliate as of the date such employee ceases to be employed by such L+M Affiliate for purposes of seniority, benefits eligibility and vesting at the applicable YNHHSC Affiliate.

(b) From and after the Closing Date, all Employees of LMH, LMW and VNA of Southeastern Connecticut shall remain subject to, and shall receive the benefits of, the applicable L+M Affiliate's employment policies that are in effect from time to time. For the avoidance of doubt, from and after the Closing Date each L+M Affiliate shall be an affiliate of YNHHSC and shall have the benefit of YNHHSC's inter-affiliate employment transfer practices or policy as is in effect from time to time.

(c) All current collective bargaining agreements to which the L+M Affiliates are parties as of the Closing Date will remain in full force and effect in accordance with their terms.

2.5 YNHHSC System-wide Policies. At or after the Closing, on a mutually-agreed timetable that is no longer than twelve (12) months after Closing, L+M shall adopt and

implement YNHHSC's system-wide policies and procedures consistent with the adoption and implementation thereof by the members of the Yale New Haven Health System, including without limitation the YNHHSC Obligated Group Policies.

2.6 Maintenance of Medical Staff. The medical staffs of LMH and LMW shall remain constituted in accordance with their respective medical staff bylaws (the "***LMH Medical Staff Bylaws***" and the "***LMW Medical Staff Bylaws***", respectively) and such LMH Medical Staff Bylaws and LMW Medical Staff Bylaws shall be consistent with the requirements of Applicable Law and the applicable accrediting agencies.

2.7 YNHHSC Branding. From and after the Closing, subject to compliance with the LMW Acquisition-Related Obligations, YNHHSC and the L+M Affiliates shall work collaboratively to build the YNHHSC brand across the communities served by the L+M Affiliates and LMH, LMW and the other L+M Provider Subsidiaries shall use the YNHHSC brand in accordance with YNHHSC's graphic standards, guidelines and policies; *provided, however*, that the names "Lawrence + Memorial" and "Westerly" shall be changed only with the approval of the L+M Board of Trustees and the YNHHSC Board of Trustees. YNHHSC shall develop advertising, marketing and promotional policies for the Yale New Haven Health System. YNHHSC shall promote LMH and LMW and identify them as member hospitals of YNHHSC in the same manner as the other Hospital Members with a similar scope of services. In furtherance of the intent and purpose of this Section 2.7, promptly upon the Closing, YNHHSC shall commence a comprehensive rebranding campaign (the "***Rebranding Campaign***") to rebrand the L+M Affiliates as members of the Yale New Haven Health System. All costs and expenses associated with such Rebranding Campaign shall be the sole responsibility of YNHHSC.

2.8 Management Services. YNHHSC shall provide management support services to the L+M Affiliates subject to needs of all members of the Yale New Haven Health System and available financial resources. These services shall include, but not be limited to, the following: internal audit, strategic planning and marketing support, business diversification and development assistance, human resource support, trustee orientation and development programs, management information systems' hardware and software support, telecommunications assistance, facilities development, compliance, legal services, quality assessment and risk management support, fund development assistance, physician recruitment and retention support, and managed care contracting (provided that YNHHSC may revise, delete from or add to such list of services on a basis that is equitably applied to all Hospital Members). Upon Closing, an implementation plan for the integration and use of these services by the L+M Affiliates will be agreed to by the Parties. The L+M Affiliates will be assessed fees for these services on a basis that is consistent with the basis of assessment for other similarly situated YNHHSC Subsidiaries.

2.9 Benefits and Privileges. YNHHSC represents and covenants that LMH and LMW shall, in addition and without prejudice to any benefits, rights or privileges contained in this Agreement, enjoy the same privileges and benefits as the Hospital Members and be treated in a manner no less than consistent with the treatment of the Hospital Members, in each case taking into account the different sizes, clinical and financial attributes and performance of the respective Hospital Members. In addition, for so long as YNHHSC determines to continue to provide or implement programs and initiatives for the enhancement of quality, cost efficiency, professional development and/or other improvements for the members of the Yale New Haven Health System, each L+M Affiliate shall, in addition and without prejudice to any benefits, rights or

privileges contained in this Agreement, participate in such programs and initiatives on an equitable basis along with other YNHHSC Affiliates having attributes (including corporate purpose, size, scope of services and staff) that are similar to those of such L+M Affiliate. At such time in the future as YNHHSC determines to offer any new programs or initiatives for the enhancement of quality, cost efficiency, professional development and/or other improvements for the members of the Yale New Haven Health System, each L+M Affiliate shall, in addition and without prejudice to any benefits, rights or privileges contained in this Agreement, participate in such programs and initiatives on an equitable basis along with other YNHHSC Affiliates having attributes (including corporate purpose, size, scope of services and staff) that are similar to those of such L+M Affiliate.

2.10 Obligated Group. On the earliest date following the Closing Date that is reasonably determined by YNHHSC and in accordance with the requirements of the L+M Master Trust Indenture, YNHHSC shall have the authority to cause L+M and LMH, LMW and/or such other L+M Subsidiaries as YNHHSC shall determine to become YNHHSC Obligated Group Members, and effective upon becoming a YNHHSC Obligated Group Member the applicable L+M Affiliate shall execute a joinder to become a party to the YNHHSC Obligated Group Agreement and shall take such other steps as YNHHSC may require in connection with such status.

2.11 YNHHSC Resource Commitments.

(a) YNHHSC commits, on and subject to the terms of this Section 2.11 and in accordance with the strategic plan described in Section 2.12, to deploy, directly and through its Affiliates, $300 million in resources in the Yale New Haven Health System's Eastern Connecticut and Western Rhode Island region over a period of five years commencing with the Closing to enhance and support clinical and operational capabilities and services consistent with community need, the Yale New Haven Health System strategic plan, and mutually agreed upon business plans which display positive return on investment (or in the case of physical plant and infrastructure projects, mutually agreed upon facility management plans and/or project budgets).

(b) As part of the $300 million commitment described in Section 2.11(a), subject to the Closing, YNHHSC commits to make available (from resources other than those generated by the L+M Affiliates) in the Yale New Haven Health System's Eastern Connecticut and Western Rhode Island region an aggregate of $41 million in resources over the five-year period commencing with the Closing to support the initiatives described in this Section 2.11(b), which the Parties acknowledge are consistent with community need and the Yale New Haven Health System Strategic Plan, and are subject to mutually agreed upon business plans that display positive returns on investment:

(i) Implementation of Epic, Lawson and other IT platforms;

(ii) Effectuation and implementation of the branding contemplated by Section 2.7;

(iii) Up to $10 million in value represented by participation in and access to YNHHSC population health infrastructure;

(iv) Development of clinical programs and services and associated physician recruitment.

(c) As part of the $300 million commitment described in Section 2.11(a), subject to the Closing, YNHHSC commits to make available (from resources other than those generated by the L+M Affiliates) in the Yale New Haven Health System's Eastern Connecticut and Western Rhode Island region an aggregate of $44 million in resources over the five-year period commencing with the Closing to support the clinical programs and services described in Section 2.11(d) in accordance with mutually agreed-upon individual project business plans that are consistent with community need and the Yale New Haven Health System's strategic plan, display a positive return on investment and include implementation plans and budget allocations.

(d) As part of the $300 million commitment described in Section 2.11(a), subject to the Closing, YNHHSC and Affiliates of YNHHSC (including the L+M Affiliates) shall deploy $215 million in resources (in addition to the resources described in Section 2.11(b) and (c)) in the Yale New Haven Health System's Eastern Connecticut and Western Rhode Island region over a period of five years from and after the Closing Date to enhance and support the clinical and operational capabilities and services described in this Section 2.11(d) consistent with (i) community need, (ii) Yale New Haven Health System's strategic plan, (iii) mutually agreed-upon individual project business plans which display a positive return on investment (or in the case of physical plant and infrastructure projects, mutually agreed upon facility management plans and/or project budgets), and (iv) the performance of the L+M Affiliates measured against the Key Financial Metrics. It is understood that if YNHHSC and L+M mutually determine that the performance of the L+M Affiliates for any year during the applicable five-year period has materially deviated (whether positively or negatively) from the Key Financial Metrics, taken collectively, then the level of resources to be deployed by YNHHSC and Affiliates of YNHHSC pursuant to this Section 2.11(d) will be affected in a way that is mutually agreed by YNHHSC and L+M. The clinical and operational capabilities and services described in this Section 2.11(d) are the following clinical and operational capabilities and services (or such other programs and services as YNHHSC and L+M may mutually agree):

(i) Expansion of primary care network and ambulatory presence, including ambulatory surgery;

(ii) Access to pediatric specialty services;

(iii) Development of a multi-disciplinary musculoskeletal center with orthopedic, neurosurgery, spine and physiatry clinical complements;

(iv) Expansion of maternal fetal medicine and obstetrics capabilities;

(v) Enhancement of oncology services associated with Smilow Cancer Hospital;

(vi) Reintroduction and expansion of bariatric and/ or laparoscopic surgical programs;

(vii) Expansion of neuromuscular and stroke programs;

(viii) Development of a multidisciplinary vascular program and enhancement of cardiac services including electrophysiology;

(ix) Enhancement of endocrinology/thyroid services;

(x) Development of population health and risk contracting capabilities and participation in population health infrastructure;

(xi) Continued access to SkyHealth;

(xii) Expanded emergency services; and

(xiii) Physical plant and infrastructure maintenance, development and renovations.

For the avoidance of doubt, the financial performance of the L+M Affiliates as measured against the Key Financial Metrics shall not affect the resources committed by YNHHSC under Sections 2.11(b) and (c).

2.12 Strategic Plan. Prior to the Closing, YNHHSC, working with L+M, will develop a mutually agreed-upon five-year strategic plan including L+M that will address the major categories of the overall resource deployment described in Sections 2.11(b), (c) and (d). The strategic plan will focus on the retention and enhancement of healthcare services to communities in the Yale New Haven Health System's Eastern Connecticut and Western Rhode Island region, and will include projected resource availability and estimated timeframes in furtherance of the development of the programs and initiatives described in Section 2.11. The strategic plan will be updated every fiscal year and with a rolling three-year horizon consistent with YNHHSC practice. As the strategic plan for L+M that forms a component of the overall Yale New Haven Health System strategic plan, the strategic plan described in this Section 2.12 shall be subject to the approval of the board of L+M and the board of YNHHSC. This Section 2.12 and the Yale New Haven Health System Strategic Plan shall not be construed or applied so as to limit or restrict the level of the commitments of YNHHSC pursuant to Section 2.11, but the strategic plan and the Yale New Haven Health System Strategic Plan may affect the sequence and pacing of the implementation of the deployment of resources to support specific programs and services. The failure of YNHHSC and L+M to agree upon a strategic plan for L+M shall not result in a failure of a condition to the Parties' obligations to close the Affiliation or a right of either party to terminate this Affiliation Agreement.

2.13 Compliance with YSM Affiliation Agreement. From and after the Closing Date, the L+M Affiliates will comply with their obligations as applicable under Article IV of the YSM Affiliation Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO L+M AFFILIATES

L+M represents and warrants to YNHHSC that the statements contained in this Article 3 are correct and complete as of the date of this Agreement, except as set forth in the Disclosure Schedule and except as specifically disclosed to YNHHSC. The Disclosure Schedule will be arranged in sections corresponding to the lettered and numbered sections contained in this Article 3. The Parties acknowledge and confirm that any competitively sensitive information called for by this Article 3 (including any schedules of the Disclosure Schedule) shall only be disclosed pursuant to such procedures as the Parties shall mutually agree upon so as to avoid violation of Applicable Law.

3.1 Organization of L+M. L+M is a nonstock corporation which is duly organized, validly existing and in good standing under the laws of the State of Connecticut, and has (and at the Closing will have) full corporate power and authority to own its assets and conduct its operations (as now conducted and as conducted at the Closing). Each of the L+M Subsidiaries is duly organized, validly existing and in good standing under the laws of the state of its formation and has (and at the Closing will have) full corporate power and authority to own its assets and conduct its operations as currently being conducted (as now conducted and as conducted at the Closing).

3.1.1 Schedule 3.1.1 lists all Subsidiaries of L+M. Except as indicated on Schedule 3.1.1: (i) each of the L+M Subsidiaries is a nonstock corporation of which L+M is the sole member and (ii) each of the L+M Affiliates is a Tax-Exempt Organization. Schedule 3.1.1 identifies each of the L+M Affiliates that is inactive.

3.1.2 The certificates of incorporation (or similar organizational documents) and bylaws of the L+M Affiliates, copies of which have heretofore been provided or made available to YNHHSC, are true, complete and correct copies of such documents.

3.1.3 Schedule 3.1.1 sets forth the name of each other Person in which any of the L+M Affiliates has any equity or limited liability company membership interest other than a passive minority investment.

3.2 Authorization of Transaction. L+M has full corporate power and authority to execute and deliver this Affiliation Agreement and to perform its obligations hereunder. This Agreement has been duly authorized by all requisite corporate action of L+M. This Agreement has been duly executed and delivered by L+M and, assuming due authorization, execution and delivery by YNHHSC, and receipt of the consents and approvals listed in Schedule 3.27, constitutes a valid and binding obligation of L+M, enforceable against L+M in accordance with its terms (except as may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization, preference or similar Applicable Laws of general applicability relating to or affecting the rights of creditors generally and subject to general principles of equity (regardless of whether enforcement is sought in equity or at law)). The amendment of the certificate of incorporation of L+M in the form of the L+M Amended Certificate of Incorporation and the amendment of the bylaws of L+M in the form of the L+M Amended Bylaws, in each case

effective as of and subject to the Closing, has been duly authorized by all requisite corporate action of L+M. The LMMG-NEMG Agreement and Plan of Merger to become effective as of and subject to the Closing: (a) have been duly authorized by all requisite corporate action of L+M; and (b) in the case of LMMG, have been (or upon Closing will be) duly authorized by all requisite corporate action of LMMG. The amendment of the certificate of incorporation of each applicable L+M Subsidiary in the form of: (i) the LMH Amended Certificate of Incorporation; (ii) the LMW Amended Certificate of Incorporation; and (iii) the VNA of Southeastern Connecticut Amended Certificate of Incorporation and the amendment of the bylaws of each applicable L+M Subsidiary in the form of: (x) the LMH Amended Bylaws; (y) the LMW Amended Bylaws; and (z) the VNA of Southeastern Connecticut Amended Bylaws, in each case effective as of and subject to the Closing: (a) has been duly authorized by all requisite corporate action of L+M; and (b) in the case of each applicable L+M Subsidiary, has been (or upon Closing will be) duly authorized by all requisite corporate action of such L+M Subsidiary.

3.3 Non-Contravention. Neither the execution and delivery by L+M of this Affiliation Agreement nor the consummation by L+M and the L+M Subsidiaries of the transactions contemplated hereby, will:

3.3.1 violate any provision of the certificate of incorporation (or similar organizational documents) or, subject only to obtaining any necessary approvals described in Article 5, bylaws of any of the L+M Affiliates; or

3.3.2 subject only to obtaining the approvals set forth in Schedule 3.27, constitute a violation on the part of the L+M Affiliates of any statute, Applicable Law, judgment, decree, order, regulation or rule of any court or Governmental Authority applicable to any of the L+M Affiliates; or

3.3.3 subject only to obtaining the consents set forth in Schedule 3.27, (i) violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or accelerate the performance required by, or cause the acceleration of the maturity of, any debt, or the revocation or loss of any material license, or (ii) violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or accelerate the performance required by, any obligation pursuant to any Material Contract to which any of the L+M Affiliates is a party (other than any Material Contract evidencing debt for borrowed money), or result in the revocation or loss of any Material Contracts, grants, endowment funds, permits or insurance policies listed in the Disclosure Schedule, or give any third party any option, right of first refusal or other rights under any Material Contract relating to the operations of any L+M Affiliate which, in case of any document, instrument or policy described in this clause (ii), individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

3.4 Brokers' Fees. L+M has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

3.5 Title to Assets. Each of the applicable L+M Affiliates has (subject to Permitted Encumbrances and the Liens described in Schedule 3.5.1) good, valid and marketable title to all (i) real property comprising main hospital facility of LMH; (ii) real property comprising the main

hospital of LMW, and (iii) real property comprising the L+M Cancer Center (the real properties described in clauses (i), (ii) and (iii), collectively, the "***Principal Properties***").

3.5.1 Schedule 3.5.1 sets forth a true and complete list of the Owned Real Property, including the address and owner of each such Owned Real Property. Except as described in Schedule 3.5.1, each of the Principal Properties is owned by the applicable L+M Affiliate in fee simple, free and clear of all Liens, except Permitted Encumbrances. Except as set forth in Schedule 3.5.1, none of the Principal Properties is subject to any right or option of any other Person to purchase or lease an interest in such Principal Property. None of the L+M Affiliates has received any written notice of (i) a condemnation proceeding relating to Owned Real Property, (ii) a violation of Applicable Law relating to the Owned Real Property, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect or (iii) the imposition of a general or special assessment relating to the Owned Real Property. L+M has provided to YNHHSC a copy of current title reports relating to the Principal Properties. The Owned Real Property is in compliance in all material respects with all Applicable Laws, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

3.5.2 Schedule 3.5.2 sets forth a true and complete list of the real property leased or subleased by an L+M Affiliate, with lease payments that in the case of any one lease (i) exceed $1,000,000 annually or (ii) have a remaining term in excess of three years and lease payments that exceed $500,000 annually, (the "***L+M Leased Real Property***"), including the address of each such L+M Leased Real Property, the date and names of the parties to the applicable lease. L+M has provided a list or copies to YNHHSC of all currently-effective leases or subleases relating to the L+M Leased Real Property, together with all material waivers, amendments, extensions, renewals, guaranties and other Contracts with respect to such leases (collectively, "***L+M Real Property Leases***"). To the Knowledge of L+M, each of the L+M Affiliates has complied and is in compliance in all material respects with the terms of L+M Real Property Leases to the extent that non-compliance would give the counterparty a valid right to terminate the applicable L+M Real Property Lease and none of the L+M Affiliates has received written notice that it is in material breach of or default under such lease or sublease. All L+M Real Property Leases are in full force and effect. To the Knowledge of L+M, no material default exists under any L+M Real Property Lease by any other party thereto that would give the applicable L+M Affiliate a valid right to terminate the applicable L+M Real Property Lease.

3.5.3 No portion of the L+M Real Property has suffered any material damage by fire or other casualty which has not heretofore been repaired and restored or for which insurance proceeds adequate to effect the repair or restoration of such damage or casualty is not available that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No portion of any Principal Property is located in a special flood hazard area as designated by a federal Governmental Authority, except as set forth in Schedule 3.5.3. To the Knowledge of L+M, except as permitted by Environmental, Health and Safety Requirements, there has been no release, discharge, emission or disposal of Hazardous Substances on or under the L+M Real Property that

would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.5.4 Except as set forth in Schedule 3.5.4 and for any conditions, defects or other items noted in engineering, property, environmental or other reports obtained by or provided to YNHHSC by or on behalf of L+M, the improvements on the L+M Real Property and the Personal Property owned or leased by L+M Affiliates have been reasonably maintained in the ordinary course of business, are in good operating condition (ordinary wear and tear excepted), and are reasonably suitable for the uses for which they are intended.

3.6 Subsidiaries and Related Entities. Except as set forth in Schedule 3.1.1, neither LMH nor LMW has any Subsidiaries and neither owns beneficially or of record any equity interest in any other Person, and neither is a member, shareholder, or partner in any other Person.

3.7 Financial Statements. L+M has provided or made available to YNHHSC true and correct copies of (i) the audited consolidated statements of financial position of each of the L+M Affiliates, and related statements of activities and change in net assets, functional expenses and cash flows of each of the L+M Affiliates for the fiscal years ending as of September 30, 2011, 2012 and 2013 including the notes thereto; (ii) the audited consolidated statements of financial position of each of the L+M Affiliates, and related statements of activities and change in net assets, functional expenses and cash flows of each of the L+M Affiliates as of December 31, 2014, including the notes thereto (the "***L+M 2014 Audited Financial Statements***"); and (iii) an unaudited consolidated statement of financial position of each of the L+M Affiliates and unaudited statements of activities, functional expenses and cash flows of each of the L+M Affiliates as of March 31, 2015 (the "***L+M Interim Financial Statements***" and together with the L+M 2014 Audited Financial Statements, the "***L+M Financial Statements***"). The L+M 2014 Audited Financial Statements (i) have been prepared in accordance with GAAP and (ii) fairly present in all material respects the consolidated financial position and the results of operations and cash flows of each of the L+M Affiliates at and as of the dates or for the periods indicated. The L+M Interim Financial Statements (i) have been prepared in accordance with GAAP (subject to certain presentation items consistent with the ordinary course of business, to the absence of footnote disclosure and to normal year-end adjustments) and (ii) fairly present in all material respects the consolidated financial position and the results of operations and cash flows of each of the L+M Affiliates at and as of the respective dates thereof or for the periods ended on such dates, as applicable.

3.7.1 Each of the L+M Affiliates maintains systems of internal accounting controls to provide reasonable assurances that: (i) all transactions are executed in accordance in all material respects with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of the L+M Financial Statements in conformity with GAAP and maintain proper accountability for items and (iii) all reserves reflected on the L+M Financial Statements are sufficient for the purposes for which they were established. Since October 1, 2011, none of the L+M Affiliates has received and, to the Knowledge of L+M, there has not been, any complaint, allegation, assertion or claim regarding the L+M Affiliates' accounting or auditing practices, procedures, methodologies or methods, including any complaint, allegation, assertion or claim that any of the L+M Affiliates has engaged in questionable accounting or

auditing practices that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.7.2 A true, correct and complete copy of the L+M 2015 Budgets have been delivered to YNHHSC.

3.7.3 LMI maintains and at all times has maintained unimpaired statutorily-required paid-in capital and surplus in the form permitted by Applicable Law.

3.8 Subsequent Events. Since the date of the most recent L+M Interim Financial Statements, (i) the L+M Affiliates have conducted their business operations in the ordinary course, and (ii) except as described in Schedule 3.8, there has not been:

(a) Any L+M Material Adverse Effect or event or occurrence of any condition that would reasonably be expected to have a Material Adverse Effect;

(b) Any increase in compensation or other remuneration payable to or for the benefit of or committed to be paid to or for the benefit of any, manager, officer, agent or employee of any L+M Affiliate, or in any benefits granted under any Employee Benefits Plan with or for the benefit of such, manager, officer, agent or employee (other than increases in wages or salaries required under existing contracts or otherwise in the ordinary course of business);

(c) Any borrowing or incurrence of any indebtedness (other than accounts payable in the ordinary course of business) contingent or otherwise for borrowed money, by or on behalf of any L+M Affiliate in excess of any amount not included in the L+M 2015 Budget;

(d) Any purchase by any L+M Affiliate of capital assets or any interests in real property or any lease arrangement (whether as a lessor or lessee or sub-lessor or sub-lessee) entered into by any L+M Affiliate with respect to real property in excess of $1,000,000;

(e) Any acquisition of or material capital investment in (by merger, exchange, consolidation, purchase, or otherwise) any Person by any L+M Affiliate;

(f) Any acquisition of any assets by any L+M Affiliate (whether through capital spending or otherwise) which are outside of the ordinary course of business or which are in excess of $500,000, individually or in the aggregate, to any L+M Affiliate;

(g) Any waiver of any claims or rights by any L+M Affiliate that are material or otherwise involve amounts individually or in the aggregate in excess of $500,000;

(h) Any change in any method of accounting or accounting policies of any L+M Affiliate or any write down in the accounts receivable of any L+M Affiliate in excess of reserves on the L+M Interim Financial Statements;

(i) Any amendment to the certificate of incorporation, bylaws or other organizational documents of any L+M Affiliate;

(j) Any damage to or destruction or loss of any asset or property of any L+M Affiliate, whether or not covered by insurance, adversely affecting the assets, financial condition or prospects of any L+M Affiliate or the business operations thereof in an amount in excess of $500,000;

(k) Any material change in any Tax election or Tax status of any L+M Affiliate;

(l) Any exhaustion of any primary or excess layers of insurance maintained by or for LMI;

(m) Any binding commitment or agreement by any L+M Affiliate that will result in any of the effects described in the foregoing.

3.9 Compliance with Law.

3.9.1 Regulatory Compliance. To the Knowledge of L+M, each of the L+M Affiliates have, during the previous three years, conducted and continues to conduct the business operations of such L+M Affiliate in substantial compliance with all Applicable Laws, including Environmental, Health and Safety Requirements, and have timely filed all material reports, data, and other information related to the business operations of the L+M Affiliates, except for (i) matters specifically disclosed to YNHHSC and (ii) violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Except as specifically disclosed to YNHHSC, to the Knowledge of L+M none of the L+M Affiliates that are engaged in the delivery of healthcare has, nor have any of their respective employees, committed a violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. §1320a-7b, the Stark I and II Laws, 42 U.S.C. §1395nn, as amended, and the False Claims Act, 31 U.S.C. §3729, et seq. (collectively, "***Health Care Fraud and Abuse Laws***"), except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. L+M has provided to YNHHSC true, correct and complete copies of any voluntary self-disclosure filings made with CMS or any other Governmental Authority and a description of the status of each such self-disclosure filing. To the Knowledge of L+M, each of the L+M Affiliates that are engaged in the delivery of healthcare services is in compliance in all material respects with the administrative simplification provisions required under the HIPAA, including the electronic data interchange regulations and the health care privacy regulations, as of the applicable effective dates for such requirements, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Each of the L+M Affiliates that are engaged in the delivery of healthcare services that is a "covered entity" under HIPAA has designated a director-level employee of the L+M Affiliates as its HIPAA privacy officer. To the Knowledge of L+M, the practices of the L+M Affiliates regarding the collection, access, maintenance, transmission, use, and disclosure of Confidential Information, including Protected Health Information, in connection with the conduct and operations of the L+M Affiliates' business are and have been in all material respects in compliance with any of the L+M Affiliates' contracts or commitments with third parties. To the Knowledge of L+M, the practices of the L+M Affiliates regarding the collection, access, maintenance,

transmission, use, and disclosure of Confidential Information, including Protected Health Information, in connection with the conduct and operations of the L+M Affiliates' business are and have been in accordance in all material respects with any applicable written policy or procedure of the L+M Affiliates since October 1, 2011 (or such later date on which the relevant policy or procedure shall have taken effect). To the Knowledge of L+M, the L+M Affiliates have not had any breach of information security that would constitute (i) a "security incident" (as defined in 45 CFR § 164.304) that resulted in material and actual unauthorized access, use, disclosure, modification or destruction of Protected Health Information or (ii) a "breach" under Section 13402 of the American Recovery and Reinvestment Act of 2009 and any regulations promulgated thereunder or state information security laws or regulations that require notification to or of government officials, or to individuals whose information may have been breached.

3.9.2 Investigations and Penalties. To the Knowledge of L+M, since January 1, 2012, none of the L+M Affiliates that are engaged in the delivery of healthcare services, and, no officer, director or trustee, or board officer or employee thereof with respect to the conduct of business operations of the L+M Affiliates:

(a) has been subject to any investigation, inquiry or suit by any Governmental Authority that has not been fully and finally resolved regarding any alleged violation of applicable governmental authorization or legal requirement which if adversely determined would reasonably be expected to have a Material Adverse Effect;

(b) has paid or been subject to any fine, penalty, corrective action plan, remediation plan, exclusion or other sanction by, or made a self-disclosure to, any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect;

(c) is a party to any written arrangement, including without limitation a corporate integrity agreement, deferred prosecution agreement, consent decree or settlement agreement, with any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect;

(d) has been or is currently a defendant in any qui tam, false claims or similar litigation that would reasonably be expected to have a Material Adverse Effect if adversely determined;

(e) to the Knowledge of L+M, is currently subject to any investigation, inquiry or suit by any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect; or

(f) to the Knowledge of L+M, has received any complaint from any employee, independent contractor, vendor, or any other Person regarding any alleged material violation of any governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect.

3.9.3 Compliance Program. Each of the L+M Affiliates has established and maintains a corporate compliance program which addresses the material requirements of all material Applicable Laws of the Governmental Authorities having jurisdiction over its business and operations. Each of the L+M Affiliates that is engaged in the delivery of healthcare services has designated an executive employee of such L+M Affiliate or of L+M as its chief compliance officer. Except as specifically disclosed to YNHHSC, to the Knowledge of L+M, there are no material pending internal investigations that could reasonably be expected to lead to a material fine, penalty, corrective action plan, remediation plan, exclusion or other material sanction by, or a self-disclosure to, any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement. To the Knowledge of L+M, each of the L+M Affiliates have established and maintain policies or procedures, including without limitation conflict of interest and related policies, for the review of all compensation arrangements and other arrangements that could involve the referral of patients with other Persons, including but not limited to its officers, directors or trustees, physicians, executives, their immediate family members, their professional practice entities and other referral sources, that are reasonably designed to maintain compliance with (i) all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws and the intermediate sanction provisions of the Code and regulations promulgated pursuant thereto, and (ii) their internal policies, including but not limited to any applicable conflicts of interest policy. Except as specifically disclosed to YNHHSC, all such compensation and other arrangements with potential referral sources are, to the Knowledge of L+M, in compliance with all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws.

3.9.4 Communications and Environmental Claims. Except as specifically disclosed to YNHHSC, during any applicable statute of limitations, none of the L+M Affiliates have received any communication (written or, to the Knowledge of L+M, oral), whether from any Governmental Authority or third party, alleging that any of the L+M Affiliates are not in compliance with any Health Care Laws and there is no Environmental Claim pending or, to the Knowledge of L+M, threatened against any of the L+M Affiliates, or, to the Knowledge of L+M, pending or threatened, against any other Person or entity with respect to any of the L+M Affiliates, or for whose Liability for any Environmental Claim, with respect to any of the L+M Affiliates, any of the L+M Affiliates have or may have retained or assumed by Contract or by operation of Applicable Law which in any such case would give rise to a Material Adverse Effect.

3.9.5 Permits, Licenses and Accreditations.

(a) Each of the L+M Affiliates has all Permits of Governmental Authorities, including those required under Environmental, Health and Safety Requirements, necessary to conduct the business operations of the L+M Affiliates including without limitation (i) in the case of the L+M Provider Subsidiaries, such Permits as are required to obtain reimbursement under all Contracts, including provider Contracts such as network participation agreements and discount agreements, programs and other arrangements with Payer Programs and (ii) in the case of LMI, such Permits as are required to be duly licensed as a sponsored captive insurance company under the laws administered by the LMI Insurance Regulatory Agency (all such Permits described in this sentence, the "***L+M Permits***"). To the Knowledge of L+M, none of the

L+M Affiliates is in material breach or violation of, or material default under any L+M Permit, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. To the Knowledge of L+M, none of the L+M Affiliates is currently subject to or has been given notice of any threatened audit, review or investigation by a Governmental Authority with respect to any L+M Permit.

(b) Each of the L+M Affiliates maintain the accreditations related to its business and operations that are required to be maintained in order for the L+M Affiliates to continue to operate their respective businesses in accordance with their respective past practices, without contingencies, including without limitation accreditation by the Joint Commission, formerly the Joint Commission on Accreditation of Healthcare Organizations (the "***Joint Commission***"). To the Knowledge of L+M, each of the L+M Affiliates have taken all actions required to be taken to maintain such accreditations. There is no pending, and to the Knowledge of L+M, there is no threatened, investigation of any of the L+M Affiliates by any accreditation organization with respect to any material accreditation. None of the L+M Affiliates is subject to any notice of deficiency, plan of correction or similar action with respect to any such material accreditation.

3.9.6 Additional Contracts. True, correct and complete copies of the following Contracts have been provided to YNHHSC:

(a) each Contract (other than employment contracts) between any of the L+M Affiliates and any of its officers, directors or trustees (or any Person controlled by any of these individuals);

(b) each employment Contract, including but not limited to employment Contracts and severance Contracts, between any L+M Affiliate and a physician;

(c) each lease of real property or equipment with a physician or a physician's professional practice entity (such as a professional corporation or professional limited liability company) and specifying the material terms thereof, including the names of the lessor and lessee, the address, the term and a description of the real property or equipment leased thereunder; and

(d) each Contract and plan providing for payments by any of the L+M Affiliates to any officers, directors, key employees or physicians upon a change of control of L+M or the applicable L+M Subsidiaries or upon severance or termination of their employment, other than Collective Bargaining Agreements and Contracts with individual physicians.

3.9.7 Certain Matters Respecting LMI. LMI is and at all times since October 1, 2011 has been in compliance with requirements of Applicable Law of the jurisdiction of its organization including any conditions attached to its insurance license and any directions to LMI issued by the LMI Insurance Regulatory Agency, except for minor violations the effect of which is not material. LMI has not made any reductions of capital or paid any dividends or distributions during the period since September 30, 2013. LMI has delivered to YNHHSC copies of all financial statements and declarations required to be filed by LMI with the LMI Insurance Regulatory Agency since October 1, 2014. LMI is prohibited from joining or contributing to any plan, pool, association or guaranty or insolvency fund under the laws of the jurisdiction of its organization, and LMI is not

entitled to any benefits from any such plan, pool, association or guaranty or insolvency fund for claims arising out of the operations of LMI.

3.10 Tax Matters.

3.10.1 For the six year period preceding the Closing Date, each L+M Affiliate has (i) duly filed or caused to be filed with the appropriate taxing authorities all Tax Returns required to be filed by it (giving effect to as-of- right extensions) and all such Tax Returns are true, correct and complete in all material respects, (ii) timely paid or caused to be paid in full all Taxes shown to be due on such Tax Returns or otherwise due and payable with respect to the operations of the L+M Affiliates and (iii) except as specifically disclosed to YNHHSC, complied in all material respects with all Applicable Laws, rules and regulations relating to the withholding of Taxes and the payment of withheld Taxes, and timely and properly withheld and paid over to the appropriate Governmental Authorities all amounts required to be so withheld and paid under all Applicable Laws, rules and regulations.

3.10.2 No deficiencies or assessments for any Taxes of, or relating to, the operations of the L+M Affiliates have been proposed, asserted or assessed which have not been resolved and paid in full except for deficiencies and assessments being contested in good faith as listed and described in Schedule 3.10.2 or as specifically disclosed to YNHHSC, and no United States federal, state, local or foreign audits or other administrative or judicial proceedings are presently pending with regard to any Taxes or Tax Returns of, or relating to, the operations of the L+M Affiliates. There are no Liens for Taxes upon any assets owned by the L+M Affiliates except for Permitted Encumbrances.

3.10.3 As of the Closing, except for the L+M Affiliates specifically identified on Schedule 3.1.1, each of the L+M Affiliates is recognized by the IRS as exempt from United States federal income taxation, and is recognized by the State of Connecticut and the State of Rhode Island as exempt from state and local income taxes, real property taxes, and qualifies for sales tax exemptions available to organizations described in Section 501(c)(3) of the Code.

3.10.4 The L+M Affiliates have provided a list to YNHHSC of all Tax Returns filed by or with respect to the L+M Affiliates for fiscal years 2011, 2012 and 2013, including without limitation Form 990 "Return of Organization Exempt From Income Tax". The L+M Affiliates also have provided a list to YNHHSC of all examination reports of any Tax Return by any Governmental Authorities and statements of deficiencies assessed by any Governmental Authority with respect to Tax Returns of the L+M Affiliates for fiscal years 2011, 2012 and 2013.

3.10.5 Except as listed in Schedule 3.1.1, none of the L+M Affiliates is a party to any joint venture, partnership, or other business arrangement which is treated as a partnership for United States federal income tax purposes.

3.10.6 Except for the real property certiorari proceedings described in Schedule 3.10.6, there are no Tax rulings, requests for rulings or closing agreements either

in effect or pending with any Governmental Authority relating to any of the L+M Affiliates which could affect the L+M Affiliates' Liability for Taxes after the Closing.

3.10.7 L+M has provided to YNHHSC copies of the letters and/or rulings from the IRS in its possession which recognize that the L+M Affiliates indicated on Schedule 3.1.1 are Tax-Exempt Organizations exempt from United States federal income taxes under Section 501(a) of the Code as organizations described in Section 501(c)(3) of the Code and not as "private foundations" as such term is defined in Section 509 of the Code (the "***L+M Determination Letters***"). The L+M Determination Letters have not been modified, limited or revoked, in whole or in part, and none of the L+M Affiliates for which L+M Determination Letters have been provided has been notified that the IRS is proposing to revoke a L+M Determination Letter. In the case of L+M Affiliates for which L+M Determination Letters have not been provided, but that are Tax-Exempt Organizations exempt from United States federal income taxes under Section 501(a) of the Code as organizations described in Section 501(c)(3) of the Code and not as "private foundations" as such term is defined in Section 509 of the Code, such L+M Affiliates are listed on the list maintained by the U.S. Internal Revenue Service and known as the IRS Exempt Organizations Select Check (the "***IRS List of Exempt Organizations***"). There is no pending request by any of the L+M Affiliates for a redetermination of tax-exempt status as an organization described in Section 501(c)(3) of the Code. Each of the L+M Affiliates that are the subject of the L+M Determination Letters, or that are listed on the IRS List of Exempt Organizations, are in compliance with all of the terms, conditions, and limitations (i) contained in the L+M Determination Letters or (ii) required for inclusion on the IRS List of Exempt Organizations, as applicable, if any, and there has been no conduct by any such L+M Affiliates, of such nature that would warrant modification, limitation or revocation of the L+M Determination Letters or removal from the IRS List of Exempt Organizations, as applicable. To the best of L+M's Knowledge, none of any such L+M Affiliates has any "unrelated business income" as defined in Sections 511 through 514 of the Code which would adversely affect any of the L+M Affiliates' status as an organization described in Section 501(c)(3) of the Code. None of any such L+M Affiliates has been notified that the IRS is proposing to investigate its continued qualification as an organization described in Section 501(c)(3) of the Code or that there are any administrative or judicial proceedings pending or threatened which may adversely affect the classification of any of any such L+M Affiliates as an organization described in Section 501(c)(3) of the Code and not a private foundation under Section 509 of the Code.

3.10.8 The L+M 2014 Audited Financial Statements identify each tax-exempt financing, including its principal amount outstanding as of September 30, 2014 and the date of original issue, benefiting any of the L+M Affiliates. Each of the L+M Affiliates is in compliance in all material respects with all covenants required to be complied with by it under the L+M Tax-Exempt Bonds.

With respect to the L+M Tax-Exempt Bonds no action has been taken or omitted to be taken by any of the L+M Affiliates which would cause such the L+M Tax-Exempt Bonds to be an "arbitrage bond" under Section 148(a) of the Code. Each of the L+M Tax-Exempt Bonds is in compliance with the arbitrage rebate requirement of Section 148(f) of the Code. No action has been taken or omitted to be taken by any of the L+M

Affiliates which would cause any L+M Tax Exempt Bonds not to be "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. Each of the L+M Tax-Exempt Bonds satisfies all applicable requirements set forth in Sections 147 and 149 of the Code in order for interest thereon to be excluded from gross income for federal income tax purposes.

3.10.10 With respect to each issue of the L+M Tax-Exempt Bonds, the applicable L+M Affiliates have timely filed with the IRS all Tax Returns, notices and other documents and forms necessary to be filed by the L+M Affiliates to qualify interest thereon for exclusion from gross income for federal income tax purposes and to maintain such exclusion.

3.10.11 At least 95% of the proceeds of the L+M Tax-Exempt Bonds have been used to provide facilities that are owned and operated by a Tax-Exempt Organization (i.e., L+M and LMH), except to the extent that portions of such facilities are permitted to be operated pursuant to a Safe Harbor Management Contract or pursuant to other recognized private business use exceptions.

3.10.12 All of the facilities financed by the L+M Tax-Exempt Bonds are owned for federal income tax purposes by L+M and LMH, each of which is a Tax-Exempt Organization.

3.10.13 At least 95% of the net proceeds of the L+M Tax-Exempt Bonds (net of and after deducting the costs of issuance thereof) are used only by L+M and LMH, each of which is a Tax-Exempt Organization, in activities that are substantially related to the exercise or performance by such Tax-Exempt Organization of purposes or functions constituting the basis for its exemption from federal income taxation under Section 501(a) of the Code.

3.10.14 Except as set forth on Schedule 3.10.14, All of the L+M Tax-Exempt Bonds constitute "qualified hospital bonds" within the meaning of Section 145(c) of the Code.

3.11 Material Contracts.

3.11.1 L+M has made available to YNHHSC true, correct and complete copies, including all amendments, supplements and modifications, of all Material Contracts (other than Material Contracts with Payer Programs); provided, however, that those Material Contracts relating to arrangements between an L+M Affiliate on the one hand and any physician on the other hand have been made available only to outside counsel or consultants for YNHHSC, who shall be instructed not to provide YNHHSC with any pricing, compensation, price sensitive or competitive information.

3.11.2 With respect to each Material Contract, L+M represents that (i) each of the Material Contracts is in full force and effect and constitutes a valid and binding obligation of the L+M Affiliate enforceable against the L+M Affiliate in accordance with its terms, and, to the Knowledge of L+M, against each other party thereto (except as may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization,

preference or similar Applicable Laws of general applicability relating to or affecting the rights of creditors generally and subject to general principles of equity (regardless of whether enforcement is sought in equity or at law)); (ii) the L+M Affiliates are not and, to the Knowledge of L+M, no other party thereto is, in breach or default in any material respect under any of the Material Contracts if such breach or default, individually or in the aggregate with other such breaches or defaults, would be reasonably expected to have a Material Adverse Effect; and (iii) the L+M Affiliates have not given and, to the Knowledge of L+M, it has not received from any other Person, any notice or other communication (whether written or oral) regarding any actual or potential violation or breach of, default under, termination of, any Material Contract (other than a termination by expiration of the term of a Material Contract) if such breach or default, individually or in the aggregate with other such breaches or defaults, would reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.27, none of the Material Contracts for borrowed money or for the lease of real property or Material Contracts with Third Party Payers requires the consent of any other party thereto in connection with the transactions contemplated by this Affiliation Agreement.

3.12 Intellectual Property. To the Knowledge of L+M, each of the L+M Affiliates owns free and clear of all Liens, other than Permitted Encumbrances, Liens securing the L+M Tax-Exempt Bonds and Liens listed or described in Schedule 3.12, or is licensed or otherwise has the valid and enforceable right to use, all Intellectual Property used in or necessary to the conduct of its operations other than failures to own, be licensed or have the right to use Intellectual Property that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All such licenses and agreements with third parties relating to such Intellectual Property that are material to the business operations of the L+M Affiliates, taken as a whole, are valid and binding and in full force and effect, and to the Knowledge of L+M, none of the parties thereto is in default thereunder or breach thereof if such breach or default, individually or in the aggregate with such other breaches or defaults and the breaches or defaults described in Section 3.11.2, would reasonably be expected to have a Material Adverse Effect. To the Knowledge of L+M, there is no pending claim by any third party challenging the ownership, validity or use of any material Intellectual Property that is material to the business operations of the L+M Affiliates, taken as a whole.

3.13 Transactions with Affiliates. Except for tuition reimbursement and/or housing assistance loans to employees that are made pursuant to L+M's existing policies, there are no notes receivable of any L+M Affiliate or any other amount payable to any L+M Affiliate owing by any director, officer, member or employee of any L+M Affiliate. Except as set forth in Schedule 3.13 (other than compensation and benefits received in the ordinary course of business as an employee of any L+M Affiliate), and to the Knowledge of L+M no member of any L+M Affiliate's board of directors, and no officer, of any L+M Affiliate, has any interest in: any contract, arrangement or understanding with, or relating to the business or operations of any L+M Affiliate; any loan, arrangement, understanding, agreement or contract for or relating to indebtedness of any L+M Affiliate; or any property (real, personal or mixed), tangible, or intangible, used or currently intended to be used in, the business or operations of any L+M Affiliate.

3.14 [Reserved].

3.15 Litigation.

3.15.1 Except as specifically disclosed to YNHHSC or as disclosed pursuant to Section 3.9, there is no suit, claim, action, proceeding, arbitration, hearing, inquiry or investigations whether at law or equity (individually or collectively as the contest shall require, "***Litigation or Proceedings***") pending or, to the Knowledge of L+M, threatened against the L+M Affiliates, except for any such suit, claim, action, proceeding, arbitration, hearing, inquiry or investigation which (i) is not reasonably expected as of the date hereof, together with any related claims arising out of the same set of facts, to involve an amount in controversy in excess of $5,000,000, in the aggregate, excluding malpractice, general liability and other claims which are fully insured (subject to customary deductible and retention amounts), or (ii) would not be reasonably expected to have a Material Adverse Effect.

3.15.2 There are no outstanding orders, injunctions or decrees of any Governmental Authority (other than orders, injunctions or decrees of general applicability and which do not specifically name an L+M Affiliate) which would have a Material Adverse Effect.

3.16 Labor Relations.

3.16.1 Except for the Collective Bargaining Agreements described in Schedule 3.16.1 and except as disclosed to YNHHSC, (i) none of the L+M Affiliates is a party to, nor bound by, any labor agreement, collective bargaining agreement, written work rules or practices, or any other labor-related agreement or arrangement, with any labor union, trade union or labor organization (collectively, a "***Collective Bargaining Agreement***"); (ii) none of the L+M Affiliates' employees are covered by the terms of any Collective Bargaining Agreements; (iii) to the Knowledge of L+M, no labor union, trade union or labor organization of the L+M Affiliates has since December 31, 2011, made a pending demand for recognition or certification, as a collective bargaining representative of the L+M Affiliates' employees and, to the Knowledge of L+M, there are no representation election petitions filed with the National Labor Relations Board pertaining to the L+M Affiliates' employees; (iv) L+M has no Knowledge of any union organizing activities with respect to any employees of the L+M Affiliates; (v) since October 1, 2011, to the Knowledge of L+M, there have been no actual or threatened arbitrations, grievances, unfair labor practices, labor disputes, strikes, lockouts, slowdowns or collective work stoppages against the L+M Affiliates except for those that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect; and (vi) since October 1, 2011, neither the L+M Affiliates nor any of their employees, agents or representatives have committed any material unfair labor practice as defined in the National Labor Relations Act which could reasonably be expected to have a Material Adverse Effect.

3.16.2 Each of the L+M Affiliates: (i) is not in violation in any material respect of any Applicable Law pertaining to labor, employment or employment practices including, but not limited to, all Applicable Laws regarding health and safety, wages and hours, labor relations, employment discrimination, disability rights or benefits, equal opportunity, immigration, plant closures and layoffs, affirmative action, employee leave issues, unemployment insurance and workers' compensation, except for violations the

effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, or (ii) except as listed in Schedule 3.16.2, is not a party to any currently pending claim, action, arbitration, audit, hearing, investigation, complaint, charges, litigation or suit or governmental inquiry alleging a violation of any Applicable Law pertaining to labor, employment or employment practices, nor, to the Knowledge of L+M, is any such claim, action, arbitration, audit, hearing, investigation, complaint, charges, litigation or suit or governmental inquiry pending or threatened, except in each case for matters the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

3.16.3 Except as specifically disclosed to YNHHSC, to the Knowledge of L+M, each of the L+M Affiliates: (i) has taken reasonable steps to properly classify and treat all of their workers, interns, trainees and volunteers as independent contractors or employees, (ii) has taken reasonable steps to properly classify and treat all of their employees as "exempt" or "nonexempt" from overtime requirements under Applicable Law, (iii) is not delinquent in any material payments to, or on behalf of, any current or former independent contractors or employees for any services or amounts required to be reimbursed or otherwise paid, (iv) has withheld and reported all material amounts required by Applicable Law or by agreement to be withheld and reported with respect to wages, salaries and other payments to any current or former independent contractors or employees; and (v) is not liable for any material payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for any current or former independent contractors or employees (other than routine payments to be made in the normal course of business and consistent with past practice). To the Knowledge of L+M, none of the L+M Affiliates has direct or indirect material Liability as a result of any misclassification of any Person as an independent contractor rather than as an employee.

3.16.4 Except as listed in Schedule 3.16.4, to the Knowledge of L+M, no employee or former employee of the L+M Affiliates is in any material respect in violation of any term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, non-competition agreement, restrictive covenant or other obligation: (i) to the L+M Affiliates or (ii) to a former employer of any such employee relating (A) to the right of any such employee to be employed by the L+M Affiliates or (B) to the knowledge or use of trade secrets or proprietary information in connection with his or her employment with the L+M Affiliates, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

3.16.5 Each of L+M Affiliates is and for the last 18 months has been in compliance with all notice and other requirements under the Worker Adjustment and Retraining Notification Act and any similar state or local Applicable Law relating to plant closings or layoffs (collectively, the "***WARN Act***"). In the 18 months prior to the date hereof, each of the L+M Affiliates has not (i) effectuated a "plant closing" (as defined in the WARN Act) or (ii) effectuated a "mass layoff" (as defined in the WARN Act).

3.17 Employee Benefits.

3.17.1 No individuals who are not employees of the L+M Affiliates provide any substantial services to the L+M Affiliates except under contracts between an L+M Affiliate and such individual or a business entity which is not an Affiliate. Schedule 3.17.1 lists, as of the date of this Affiliation Agreement, all Employee Benefit Plans maintained by or with respect to which contributions are made by the L+M Affiliates or the L+M Affiliates has any liability (collectively the "***L+M Plans***"). Prior to the date hereof, L+M has provided to YNHHSC as part of the Due Diligence Information accurate and complete copies of the L+M Plans (and, if applicable, related trust agreements) and all amendments thereto; the two most recent actuarial reports relating to such L+M Plans; the two most recent annual reports (Form 5500 series) filed with respect to each such L+M Plan; in the case of any L+M Plan that is intended to be qualified under Section 401(a) of the Code, the most recent determination letter or opinion letter issued by the IRS with respect to each such L+M Plan and/or any pending request for such a determination letter; the two most recent nondiscrimination tests performed under the Code (including 401(k) and 401(m) tests) for each such L+M Plan; and all material filings made with any governmental entity for the two most recently completed plan years, including but not limited to any filings under the IRS Voluntary Compliance Resolution or Closing Agreement Program with respect to any such L+M Plan.

3.17.2 Each L+M Plan has been operated in all material respects in accordance with its terms and the requirements of Applicable Law. Neither L+M nor, to the Knowledge of L+M, any ERISA Affiliate has engaged in any transaction or failed to act in a manner that violates the fiduciary requirements of Section 404 of ERISA with respect to any L+M Plan. Neither L+M nor, to the Knowledge of L+M, any ERISA Affiliate has engaged in any prohibited transaction with respect to any L+M Plan that could result in material liability to L+M or any ERISA Affiliate.

3.17.3 All required contributions to each L+M Plan (including both employee and employer contributions), and all material premiums due or payable with respect to insurance policies funding any L+M Plan, have been timely made or paid in full or, if not yet paid, have been properly accrued for. The funding level of each L+M Plan has been specifically disclosed to YNHHSC. During the period since October 1, 2010, all distributions required or due to be made from any L+M Plan has been timely and accurately made except (i) as specifically disclosed to YNHHSC, and (ii) to the extent that any failure to make any distribution in a timely and accurate manner would not adversely affect the tax attributes or consequences of the applicable L+M Plan taken as a whole.

3.17.4 Except as set forth in Schedule 3.17.4, no Covered Person will become entitled to any bonus, retirement, severance, job security or similar benefit or enhanced such benefit (including acceleration of vesting or exercise of an incentive award) pursuant to a L+M Plan or other agreement (whether written or unwritten) as a result of the transactions contemplated by this Agreement.

3.17.5 No employee is employed outside of the United States by any L+M Affiliate.

3.17.6 A copy of L+M's written severance policy as in effect on the date of this Affiliation Agreement has been provided to YNHHSC as part of the Due Diligence Information.

3.17.7 Except as specifically disclosed to YNHHSC, no L+M Plan or other arrangement provides for retiree health, retiree life insurance or other retiree welfare benefits (other than COBRA continuation benefits).

3.17.8 No L+M Plan that is a welfare benefit arrangement is (i) a multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA, (ii) a voluntary employee benefit association under Section 501(c)(9) of the Code, or (iii) any other arrangement that would cause an employee welfare benefit plan to be funded for purposes of ERISA.

3.17.9 No payment or benefit provided under any L+M Plan provides for the deferral of compensation that is not in compliance with Sections 409A and 457(f) of the Code (to the extent applicable). Except as specifically disclosed to YNHHSC, no L+M Plan provides for a gross-up, make whole or other additional payment with respect to any Tax, including those imposed by Section 409A.

3.17.10 None of the L+M Affiliates has at any time been obligated to contribute to a multiemployer plan as defined in Section 3(37) of ERISA, and has no unsatisfied actual or inchoate liability (including withdrawal liability) with respect thereto.

3.18 Environmental, Health, and Safety Matters.

3.18.1 Each L+M Affiliate is in material compliance with all Environmental, Health, and Safety Requirements except to the extent that any non-compliance with Environmental, Health, and Safety Requirements would not reasonably be expected to have a Material Adverse Effect.

3.18.2 Except as specifically disclosed to YNHHSC, no L+M Affiliate has received any written notice, report or other written information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), concerning the Remediation of any Environmental Condition or Hazardous Substances relating to the L+M Affiliates that remains outstanding or unresolved.

3.19 Books and Records. The books of account and other financial records of the L+M Affiliates, all of which shall have been made available to YNHHSC prior to Closing, are accurate and complete in all material respects. Each transaction of the L+M Affiliates is properly and accurately recorded on the books and records of the applicable L+M Affiliate except for immaterial omissions or inaccuracies, the effect of which is insubstantial. L+M has made or will make available to YNHHSC a correct and complete copy of the minute books of the L+M Affiliates, except such portions as may have been redacted or excluded that contain records or discussions pertaining to the entry into or consummation of the transactions contemplated by this Agreement or the process of negotiation leading to the development of this

Agreement. To the extent permitted by Applicable Law and to the extent that doing so would not reasonably be expected to result in the waiver of privilege, L+M has made available to YNHHSC a correct and complete copy of the minutes maintained by the L+M Affiliates quality assurance committees since October 1, 2011.

3.20 Illegal Payments. To the Knowledge of L+M, none of the L+M Affiliates, nor any of their respective officers, directors, agents or employees or any other person on behalf of the L+M Affiliates, has made directly or indirectly any illegal payment to or on behalf of, or provided any illegal benefit or inducement for, any physician, supplier or patient of the L+M Affiliates. To the Knowledge of L+M neither the L+M Affiliates, nor any of their respective officers, directors, employees or agents has, directly or indirectly, paid or delivered a fee, commission or other sum of money or item or property, however characterized, to any finder, agent, Governmental Authority or other party, in the United States or any other country, which was or is illegal under any Applicable Law. To the Knowledge of L+M, none of the L+M Affiliates, nor any of their respective officers, directors, employees or agents has made any payment to any supplier of the L+M Affiliates or any officer, director, employee or agent of any patient or supplier of the L+M Affiliates, for the unlawful sharing of fees or to any such patient or supplier or any such officer, director, employee or agent for the unlawful rebating of charges, or engaged in any other unlawful payment or given any other unlawful consideration to any such enrollee, patient or supplier or any such officer, director, employee or agent.

3.21 Bankruptcy. None of the L+M Affiliates is the subject of bankruptcy, insolvency or any similar proceedings.

3.22 Information Systems. L+M has specifically disclosed to YNHHSC each major information technology system owned or leased by the L+M Affiliates and used by the L+M Affiliates in their business operations as now conducted.

3.23 Foreign Operations. Other than LMI, the L+M Affiliates have no operations outside the United States.

3.24 [Reserved]

3.25 Insurance Coverage. Each of the L+M Affiliates maintains, and, during the past three-year period, has maintained without interruption, (i) self-insurance arrangements or (ii) policies of insurance, including, without limitation, general liability, property, casualty, malpractice and worker's compensation insurance, issued by responsible insurers, and the coverage provided under such insurance policies has in the applicable L+M Affiliate's reasonable judgment been reasonable in scope and amount in light of the risks attendant to the operation and activities of such L+M Affiliate. A true, correct and complete copy of each insurance policy maintained by an L+M Affiliate as of the date of this Affiliation Agreement has been provided to YNHHSC prior to the Effective Date as part of the Due Diligence Information. None of the L+M Affiliates has received written notice of termination (other than termination by expiration of the term thereof) or cancellation of any such policy that is currently in effect. All premiums required to be paid with respect to all such policies covering all periods up to and including the date of this Agreement have been paid. There has been no lapse in coverage under such policies during any period for which any of the L+M Affiliates have conducted their business operations and for which any claim covered by any such policy could be made under

applicable statutes of limitations. Each general liability and malpractice insurance policy under which one of the L+M Affiliates is the named insured is adequate to cover all claims of the kind intended to be covered, and which have been made, under such policies. Each of the L+M Affiliates has complied in all material respects with the terms and provisions of such policies, and is not in default, whether as to payment of premium or of any other material obligation thereunder, under the terms of any such policy. All of the policies described in this Section 3.25 are in full force and effect and such coverage will be continued in full force and effect to and including the Closing Date and thereafter in accordance with their terms.

3.26 Regulatory Matters.

3.26.1 To the Knowledge of L+M, since October 1, 2011, the L+M Affiliates have timely filed all material reports, statements, documents, registrations, filings or submissions required to be filed by the L+M Affiliates with any Governmental Authorities, including in connection with or required by any Material Contracts or in connection with the L+M Tax-Exempt Bonds, except where the failure to timely file has not resulted and would not reasonably be expected to result in a Material Adverse Effect. All such reports, statements, documents, registrations, filings and submissions were true, correct and complete in all material respects when filed, complied in all material respects with Applicable Law in effect when filed. Except as set forth on Schedule 3.26.1, since October 1, 2011, no material deficiencies have been asserted by any such Governmental Authority with respect to such reports, statements, documents, registrations, filings or submissions that have not been satisfied, or, if not yet satisfied, where satisfaction is not yet due. To the Knowledge of L+M, the Material Contracts are in compliance with Applicable Law.

3.26.2 Except as specifically disclosed to YNHHSC, since October 1, 2011, the L+M Affiliates have not been subject to any finding, agreement, settlement or fine regarding noncompliance with any Applicable Law (including fraudulent procedures or practices but excluding any finding, agreement, settlement or fine that resulted only in a monetary penalty of $50,000.00 or less) that resulted in or would reasonably be expected to result in a Material Adverse Effect. Except as specifically disclosed to YNHHSC, to the Knowledge of L+M, since October 1, 2011, the L+M Affiliates have not been subject to any pending or threatened audit, investigation or other regulatory review relating to any noncompliance with any Applicable Law (including fraudulent procedures or practices, or, to the Knowledge of L+M, OSHA violations and any warning letters or observations (including any FDA warning letters or FDA Form 483 observations)), other than regularly scheduled periodic audits and reviews.

3.26.3 Neither L+M nor any L+M Subsidiary has been excluded, debarred or otherwise deemed ineligible to participate in Medicare, Medicaid or any other federal or state health care programs or in any federal or state procurement or non-procurement programs, nor has L+M or any L+M Subsidiary been convicted of a criminal offense related to the provision of federal health care items or services, nor, to L+M's Knowledge, is an investigation or proceeding regarding the foregoing pending or threatened. L+M and each of the L+M Subsidiaries that provides services to beneficiaries of Government Payer programs is (i) qualified for participation in, and has current and valid provider contracts with, the Government Payer programs and /or their fiscal

intermediaries or paying agents and is in material compliance with the conditions of participation or requirements applicable with respect to such participation and (ii) eligible for payment under the Government Payer programs for services rendered to qualified beneficiaries.

3.27 Consents and Approvals. No consents with respect to Material Contracts or approvals of any Governmental Authority are required to be obtained by any L+M Affiliate in connection with the execution, delivery and performance by L+M of this Agreement or the consummation of the transactions contemplated by this Agreement, except for (a) the requirements of the HSR Act and (b) as set forth in Schedule 3.27, which shall include, but not be limited to, any filings with, and approvals from, (i) OHCA, (ii) RIDOH upon the recommendation of the Rhode Island Health Services Council and (iii) the Rhode Island Attorney General.

3.28 Billing, Recoupments and Overpayments.

3.28.1 To the Knowledge of L+M, during the period of the applicable statutes of limitation, all claims for reimbursement ("***Reimbursement Claims***") submitted by the L+M Affiliates comply in all material respects with all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws, and all Payer Program contracts, provider manuals, policies, guidance, and reimbursement requirements governing reimbursement and payment of claims and do not contain any material errors, omissions or disallowances, except as specifically disclosed to YNHHSC, to the extent that non-compliance or errors or omissions would not individually or in the aggregate be reasonably expected to have a Material Adverse Effect. Except as specifically disclosed to YNHHSC, none of the L+M Affiliates have any outstanding overpayment or refund obligations due to any individual Payer Program in excess of $5,000,000 in the aggregate. Except as specifically disclosed to YNHHSC, none of the L+M Affiliates has received notice of any material disallowance, overpayment, refund or dispute between the L+M Affiliates, on the one hand, and any Payer Program, or agent thereof, on the other hand, regarding such Reimbursement Claims that has not been resolved and, to the Knowledge of L+M, there are no facts or circumstances which may reasonably be expected to give rise to any disallowance, overpayment, refund or dispute that individually or in the aggregate would be reasonably expected to have a Material Adverse Effect.

3.28.2 With respect to each of the last three complete reporting periods, the Cost Reports for L+M and each L+M Subsidiary that provides services to beneficiaries of Government Payer programs have been filed when due, and have been audited (with Notices of Program Reimbursement issued), for the Cost Report periods described in Schedule 3.28.2

3.28.3 Except as specifically disclosed to YNHHSC, with respect to each of the last three complete reporting periods, all amounts shown as due from L+M or any L+M Subsidiary in the applicable Cost Reports that either were remitted with such Cost Reports or will be remitted when required by Applicable Law. Except to the extent liabilities and contractual adjustments with respect to L+M and any L+M Subsidiary under the Government Payer programs have been properly reflected and adequately reserved in the L+M Financial Statements, to L+M's Knowledge, neither L+M nor any L+M

Subsidiary has received or submitted any claim for payment to the Government Payer programs (or their fiscal intermediaries or paying agents) in excess in any material respect of the amount provided by Applicable Law or applicable provider contracts, and L+M and the L+M Subsidiaries have not received notice of any dispute or claim by any Governmental Authority, fiscal intermediary or other Person regarding L+M or any of the L+M Subsidiaries in such programs, in each case, that individually or in the aggregate, would be reasonably expected to have a Material Adverse Effect.

3.29 Medical Staff Matters. Prior to the date of this Affiliation Agreement, L+M has provided to YNHHSC as part of the Due Diligence Information true, correct, and complete copies of the bylaws, rules and regulations of the medical staff of each of LMH and LMW, as well as a list of all current members of their medical staffs. To the Knowledge of L+M, all actions undertaken by LMH and LMW respectively with respect to its medical staff, including corrective discipline or other professional review, have been carried out in accordance with all Applicable Laws.

3.30 Clinical Trials. To the Knowledge of L+M, all clinical trials currently being conducted at the L+M Affiliates are being conducted (i) with the approval and/or waiver of an appropriately constituted and duly registered institutional review board ("***IRB***") and (ii) in compliance with the applicable IRB policies and procedures, study agreements with trial sponsors and/or contract research organizations, and all Applicable Law, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Within the past two years, no clinical trial conducted at the L+M Affiliates has been subject to suspension or termination (other than by the sponsor of the trial due to reasons unrelated to the L+M Affiliate's performance of its obligations) due to patient safety concerns, material non-compliance with the applicable study agreement or Applicable Law, except for suspensions or terminations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Within the past two years, none of the L+M Affiliates, nor to the Knowledge of L+M, any investigator involved in a clinical trial at the L+M Affiliates, has received any correspondence or communication relating to the applicable L+M Affiliate's conduct from any trial sponsor, contract research organization, IRB or Governmental Authority, including without limitation the Connecticut Department of Public Health, FDA or the Department of Health and Human Services Office for Human Research Protections ("***OHRP***"), regarding patient safety breaches, billing issues associated with care provided to clinical trial subjects, obligations to register and report results of clinical trials, research misconduct, notice of pending debarment or disqualification, or other material non-compliance with the applicable study agreement or Applicable Law, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

3.31 Relationship with Pharmaceutical and Medical Device Manufacturers, Vendors and Suppliers. Except as specifically disclosed to YNHHSC, (i) to the Knowledge of L+M, each of the L+M Affiliates is in compliance with the applicable L+M Affiliate's policies and procedures regarding interactions with pharmaceutical manufacturers, medical device manufacturers, equipment and supply vendors, including without limitation, those relating to conflicts of interest, product samples, transfers of value and remuneration arrangements, and (ii) such policies and procedures are reasonably designed to comply with Applicable Law.

3.32 Solvency of the L+M Affiliates. Immediately after giving effect to the transactions contemplated by this Agreement, none of the L+M Affiliates will (a) be insolvent (either because its financial condition is such that the sum of its Liabilities is greater than the fair value of its assets or because the fair salable value of its assets is less than the amount required to pay probable Liabilities as they mature), (b) have unreasonably small capital with which to engage in its business or (c) have incurred Liabilities beyond its ability to pay as they become due. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the L+M Affiliates. LMI is solvent according to all applicable standards of solvency administered by the LMI Insurance Regulatory Agency.

3.33 Charitable Funds. To the Knowledge of L+M, L+M and the L+M Subsidiaries have solicited, received, held, invested, expended and applied charitable funds donated to them in all material respects in accordance with all restrictions placed thereon by donors, the terms of any applicable solicitation and Applicable Laws. Neither L+M nor any of the L+M Subsidiaries has received written notice of any, whether actual or alleged, misuse of funds, failure to comply with any donor-imposed restriction, breach of duty related to the funds, or violation of any Applicable Laws which would reasonably be expected to have a L+M Material Adverse Effect, nor to the Knowledge of L+M, has any such misuse, failure, breach or violation occurred.

3.34 No Undisclosed Liabilities. Except as specifically disclosed to YNHHSC, none of the L+M Affiliates has material Liabilities or material obligations of any nature (including, without limitation, any direct or indirect Indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise and whether due or to become due, or liability or obligations for an overpayment, duplicate payments, refunds discounts or adjustments due to any Third Party Payer, including any federal or state health care program) arising out of, or relating to, the business operations of L+M Affiliates and which are required to be reflected on a balance sheet prepared in accordance with GAAP, except: (i) liabilities or obligations as and to the extent reflected on or accrued or reserved against as set forth in the L+M 2014 Audited Financial Statements; and (ii) liabilities incurred since the date of the L+M 2014 Audited Financial Statements in the ordinary course of business. Neither L+M nor any of the L+M Subsidiaries is in default of any term or condition of any Indebtedness or other Liability in excess of $250,000, including any trade payable.

3.35 Completeness of Disclosure. No representation or warranty by L+M in this Agreement, or any written certificate, schedule or exhibit when taken as a whole with all such other representations, warranties, certificates, schedules and exhibits contains or will contain any untrue statement of a material fact or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not misleading in light of the circumstances under which it was made.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF YNHHSC

YNHHSC represents and warrants to L+M that the statements contained in this Article 4 are correct and complete as of the date of this Agreement, except as set forth in the Disclosure Schedule and except as specifically disclosed to L+M. The Disclosure Schedule will be arranged in sections corresponding to the lettered and numbered sections contained in this Article 4. The Parties acknowledge and confirm that any competitively sensitive information called for by this Article 4 (including any schedules of the Disclosure Schedule) shall only be disclosed pursuant to such procedures as the Parties shall mutually agree upon so as to avoid violation of Applicable Law.

4.1 Organization of YNHHSC. YNHHSC is a nonstock corporation, without members, which is duly organized, validly existing and in good standing under the laws of the State of Connecticut, and has (and at the Closing will have) full corporate power and authority to own its assets and conduct its operations (as now conducted and as conducted at the Closing). Each of the YNHHSC Subsidiaries is duly organized, validly existing and in good standing under the laws of the state of its formation, and has (and at the Closing will have) full corporate power and authority to own its assets and conduct its operations as currently being conducted (as now conducted and as conducted at the Closing).

Schedule 4.1.1 lists all Subsidiaries of YNHHSC. Except as indicated on Schedule 4.1.1, each of the YNHHSC Subsidiaries is a nonstock corporation of which YNHHSC is the sole member. Except as indicated on Schedule 4.1.1, each of the YNHHSC Affiliates is a Tax-Exempt Organization.

4.1.1 The certificates of incorporation (or similar organizational documents) and bylaws of the YNHHSC Affiliates, copies of which have heretofore been provided or made available to L+M, are true, complete and correct copies of such documents.

4.1.2 Schedule 4.1.1 sets forth the name of each other Person in which any of the YNHHSC Affiliates has any equity or membership interest other than a passive minority investment.

4.2 Authorization of Transaction. YNHHSC has full corporate power and authority to execute and deliver this Affiliation Agreement and to perform its obligations hereunder. This Agreement has been duly authorized by all requisite corporate action of YNHHSC. This Agreement has been duly executed and delivered by YNHHSC and, assuming due authorization, execution and delivery by L+M, and receipt of the consents and approvals listed in Schedule 4.27, constitutes a valid and binding obligation of YNHHSC, enforceable against YNHHSC in accordance with its terms (except as may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization, preference or similar Applicable Laws of general applicability relating to or affecting the rights of creditors generally and subject to general principles of equity (regardless of whether enforcement is sought in equity or at law)). The LMMG-NEMG Agreement and Plan of Merger to become effective as of and subject to the Closing have been duly authorized by all requisite corporate action of NEMG.

4.3 Non-Contravention. Neither the execution and delivery by YNHHSC of this Affiliation Agreement nor the consummation by YNHHSC and the YNHHSC Subsidiaries of the transactions contemplated hereby, will:

4.3.1 violate any provision of the certificate of incorporation (or similar organizational documents) or, subject only to obtaining any necessary approvals described in Article 5, bylaws of any of the YNHHSC Affiliates; or

4.3.2 subject only to obtaining the approvals set forth in Schedule 4.27, constitute a violation on the part of the YNHHSC Affiliates of any statute, Applicable Law, judgment, decree, order, regulation or rule of any court or Governmental Authority applicable to any of the YNHHSC Affiliates; or

4.3.3 subject only to obtaining the consents set forth in Schedule 4.27, (i) violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or accelerate the performance required by, or cause the acceleration of the maturity of, any debt, or the revocation or loss of any material license, or (ii) violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or accelerate the performance required by, any obligation pursuant to any Material Contract to which any of the YNHHSC Affiliates is a party (other than any Material Contract evidencing debt for borrowed money), or result in the revocation or loss of any Material Contracts, grants, endowment funds, permits or insurance policies listed in the Disclosure Schedule, or give any third party any option, right of first refusal or other rights under any Material Contract relating to the operations of any YNHHSC Affiliate which, in case of any document, instrument or policy described in this clause (ii), individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

4.4 Brokers' Fees. YNHHSC has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

4.5 Title to Assets. Each of the YNHHSC Affiliates has (subject to the Liens granted pursuant as the YNHHSC Master Trust Indenture) good, valid and marketable title to, or in the case of leased premises as to which it is a tenant a valid, binding and enforceable leasehold or subleasehold interest in, all of the real property owned or leased, as the case may be, by the such YNHHSC Affiliate in connection with the conduct the YNHHSC Activities, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.5.1 [Reserved]

4.5.2 [Reserved]

4.5.3 [Reserved]

4.5.4 [Reserved]

4.6 [Reserved].

4.7 Financial Statements. YNHHSC has provided or made available to L+M true and correct copies of (i) the audited consolidated statements of financial position of each of the YNHHSC Affiliates, and related statements of activities and change in net assets, functional expenses and cash flows of each of the YNHHSC Affiliates for the fiscal years ending as of September 30, 2011, 2012 and 2013 including the notes thereto; (ii) the audited consolidated statements of financial position of each of the YNHHSC Affiliates, and related statements of activities and change in net assets, functional expenses and cash flows of each of the YNHHSC Affiliates as of December 31, 2014, including the notes thereto (the "***YNHHSC 2014 Audited Financial Statements***"); and (iii) an unaudited consolidated statement of financial position of each of the YNHHSC Affiliates and unaudited statements of activities, functional expenses and cash flows of each of the YNHHSC Affiliates as of March 31, 2015 (the "***YNHHSC Interim Financial Statements***" and together with the YNHHSC 2014 Audited Financial Statements, the "***YNHHSC Financial Statements***"). The YNHHSC 2014 Audited Financial Statements (i) have been prepared in accordance with GAAP and (ii) fairly present in all material respects the consolidated financial position and the results of operations and cash flows of each of the YNHHSC Affiliates at and as of the dates or for the periods indicated. The YNHHSC Interim Financial Statements (i) have been prepared in accordance with GAAP (subject to certain presentation items consistent with the ordinary course of business, to the absence of footnote disclosure and to normal year-end adjustments) and (ii) fairly present in all material respects the consolidated financial position and the results of operations and cash flows of each of the YNHHSC Affiliates at and as of the respective dates thereof or for the periods ended on such dates, as applicable.

4.7.1 Each of the YNHHSC Affiliates maintains systems of internal accounting controls to provide reasonable assurances that: (i) all transactions are executed in accordance in all material respects with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of the YNHHSC Financial Statements in conformity with GAAP and maintain proper accountability for items and (iii) all reserves reflected on the YNHHSC Financial Statements are sufficient for the purposes for which they were established. Since October 1, 2011, none of the YNHHSC Affiliates has received and, to the Knowledge of YNHHSC, there has not been, any complaint, allegation, assertion or claim regarding the YNHHSC Affiliates' accounting or auditing practices, procedures, methodologies or methods, including any complaint, allegation, assertion or claim that any of the YNHHSC Affiliates has engaged in questionable accounting or auditing practices that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.7.2 [Reserved]

4.7.3 [Reserved]

4.8 Subsequent Events. Since the date of the most recent YNHHSC Interim Financial Statements, (i) the YNHHSC Affiliates have conducted their business operations in the ordinary course, and (ii) except as described in Schedule 4.8, there has not been:

(a) Any YNHHSC Material Adverse Effect or event or occurrence of any condition that would reasonably be expected to have a Material Adverse Effect;

(b)-(v) [Reserved]

4.9 Compliance with Law.

4.9.1 Regulatory Compliance. To the Knowledge of YNHHSC, each of the YNHHSC Affiliates have, during the previous three years, conducted and continues to conduct the business operations of such YNHHSC Affiliate in substantial compliance with all Applicable Laws, including Environmental, Health and Safety Requirements, and have timely filed all material reports, data, and other information related to the business operations of the YNHHSC Affiliates, except for (i) matters specifically disclosed to L+M and (ii) violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Except as specifically disclosed to L+M, to the Knowledge of YNHHSC none of the YNHHSC Affiliates that are engaged in the delivery of healthcare has, nor have any of their respective employees, committed a violation of federal or state laws regulating health care fraud, including but not limited to the Health Care Fraud and Abuse Laws, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Each of the YNHHSC Affiliates that are engaged in the delivery of healthcare services is in compliance in all material respects with the administrative simplification provisions required under the HIPAA, including the electronic data interchange regulations and the health care privacy regulations, as of the applicable effective dates for such requirements, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Each of the YNHHSC Affiliates that are engaged in the delivery of healthcare services that is a "covered entity" under HIPAA has designated an executive employee of the YNHHSC Affiliates as its HIPAA privacy officer. To the Knowledge of YNHHSC, the practices of the YNHHSC Affiliates regarding the collection, access, maintenance, transmission, use, and disclosure of Confidential Information, including Protected Health Information, in connection with the conduct and operations of the YNHHSC Affiliates' business are and have been in all material respects in compliance with any of the YNHHSC Affiliates' contracts or commitments with third parties. To the Knowledge of YNHHSC, the practices of the YNHHSC Affiliates regarding the collection, access, maintenance, transmission, use, and disclosure of Confidential Information, including Protected Health Information, in connection with the conduct and operations of the YNHHSC Affiliates' business are and have been in accordance in all material respects with any applicable written policy or procedure of the YNHHSC Affiliates since October 1, 2011 (or such later date on which the relevant policy or procedure shall have taken effect). To the Knowledge of YNHHSC, the YNHHSC Affiliates have not had any breach of information security that would constitute (i) a "security incident" (as defined in 45 CFR § 164.304) that resulted in material and actual unauthorized access, use, disclosure, modification or destruction of Protected Health Information or (ii) a "breach" under Section 13402 of the American Recovery and Reinvestment Act of 2009 and any regulations promulgated thereunder or state information security laws or regulations that require notification to or of government officials, or to individuals whose information may have been breached.

4.9.2 Investigations and Penalties. To the Knowledge of YNHHSC, since January 1, 2012, none of the YNHHSC Affiliates that are engaged in the delivery of

healthcare services, and, no officer, director or trustee, or board officer or employee thereof with respect to the conduct of business operations of the YNHHSC Affiliates:

(a) has been subject to any investigation, inquiry or suit by any Governmental Authority that has not been fully and finally resolved regarding any alleged violation of applicable governmental authorization or legal requirement which if adversely determined would reasonably be expected to have a Material Adverse Effect;

(b) has paid or been subject to any fine, penalty, corrective action plan, remediation plan, exclusion or other sanction by, or made a self-disclosure to, any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect;

(c) is a party to any written arrangement, including without limitation a corporate integrity agreement, deferred prosecution agreement, consent decree or settlement agreement, with any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect;

(d) has been or is currently a defendant in any qui tam, false claims or similar litigation that would reasonably be expected to have a Material Adverse Effect if adversely determined;

(e) to the Knowledge of YNHHSC, is currently subject to any investigation, inquiry or suit by any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect; or

(f) to the Knowledge of YNHHSC, has received any complaint from any employee, independent contractor, vendor, or any other Person regarding any alleged material violation of any governmental authorization or legal requirement that would reasonably be expected to have a Material Adverse Effect.

4.9.3 Compliance Program. Each of the YNHHSC Affiliates has established and maintains a corporate compliance program which addresses the material requirements of all material Applicable Laws of the Governmental Authorities having jurisdiction over its business and operations. Each of the YNHHSC Affiliates that is engaged in the delivery of healthcare services has designated an executive employee of such YNHHSC Affiliate or of YNHHSC as its chief compliance officer. Except as specifically disclosed to YNHHSC, to the Knowledge of YNHHSC, there are no material pending internal investigations that could reasonably be expected to lead to a material fine, penalty, corrective action plan, remediation plan, exclusion or other material sanction by, or a self-disclosure to, any Governmental Authority regarding any alleged violation of any applicable governmental authorization or legal requirement. To the Knowledge of YNHHSC, each of the YNHHSC Affiliates have established and maintain policies and procedures, including without limitation conflict of interest and related policies, for the review of all compensation arrangements and other arrangements that could involve the referral of patients with other Persons, including but not limited to its officers, directors or

trustees, physicians, executives, their immediate family members, their professional practice entities and other referral sources, that are reasonably designed to maintain compliance with (i) all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws and the intermediate sanction provisions of the Code and regulations promulgated pursuant thereto, and (ii) their internal policies, including but not limited to any applicable conflicts of interest policy. Except as specifically disclosed to YNHHSC, all such compensation and other arrangements with potential referral sources are, to the Knowledge of YNHHSC, in compliance with all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws.

4.9.4 Communications and Environmental Claims. Except as specifically disclosed to L+M, during any applicable statute of limitations, none of the YNHHSC Affiliates have received any communication (written or, to the Knowledge of YNHHSC, oral), whether from any Governmental Authority or third party, alleging that any of the YNHHSC Affiliates are not in compliance with any Health Care Laws and there is no Environmental Claim pending or, to the Knowledge of YNHHSC, threatened against any of the YNHHSC Affiliates, or, to the Knowledge of YNHHSC, pending or threatened, against any other Person or entity with respect to any of the YNHHSC Affiliates, or for whose Liability for any Environmental Claim, with respect to any of the YNHHSC Affiliates, any of the YNHHSC Affiliates have or may have retained or assumed by Contract or by operation of Applicable Law which in any such case would give rise to a Material Adverse Effect.

4.9.5 Permits, Licenses and Accreditations.

(a) Each of the YNHHSC Affiliates has all Permits of Governmental Authorities, including those required under Environmental, Health and Safety Requirements, necessary to conduct the business operations of the YNHHSC Affiliates and obtain reimbursement under all Contracts, including provider Contracts such as network participation agreements and discount agreements, programs and other arrangements with Payer Programs ("***YNHHSC Permits***"). To the Knowledge of YNHHSC, none of the YNHHSC Affiliates is in material breach or violation of, or material default under any YNHHSC Permit, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. None of the YNHHSC Affiliates has made a decision not to renew any YNHHSC Permit. To the Knowledge of YNHHSC, none of the YNHHSC Affiliates is currently subject to or has been given notice of any threatened audit, review or investigation by a Governmental Authority with respect to any YNHHSC Permit.

(b) Each of the YNHHSC Affiliates maintain the accreditations related to its business and operations that are required to be maintained in order for the YNHHSC Affiliates to continue to operate their respective businesses in accordance with their respective past practices, without contingencies, including without limitation accreditation by the Joint Commission. To the Knowledge of YNHHSC, each of the YNHHSC Affiliates have taken all actions required to be taken to maintain such accreditations. There is no pending, and to the Knowledge of YNHHSC, there is no threatened, investigation of any of the YNHHSC Affiliates by any accreditation organization with respect to any material accreditation. None of the YNHHSC Affiliates is subject to any notice of deficiency, plan of correction or similar action with respect to any such material accreditation.

(c) [Reserved]

4.9.6 [Reserved]

4.9.7 [Reserved]

4.10 Tax Matters.

4.10.1 For the six year period preceding the Closing Date, each YNHHSC Affiliate has (i) duly filed or caused to be filed with the appropriate taxing authorities all Tax Returns required to be filed by it (giving effect to as-of- right extensions) and all such Tax Returns are true, correct and complete in all material respects, (ii) timely paid or caused to be paid in full all Taxes shown to be due on such Tax Returns or otherwise due and payable with respect to the operations of the YNHHSC Affiliates and (iii) except as specifically disclosed to L+M, complied in all material respects with all Applicable Laws, rules and regulations relating to the withholding of Taxes and the payment of withheld Taxes, and timely and properly withheld and paid over to the appropriate Governmental Authorities all amounts required to be so withheld and paid under all Applicable Laws, rules and regulations.

4.10.2 No deficiencies or assessments for any Taxes of, or relating to, the operations of the YNHHSC Affiliates have been proposed, asserted or assessed which have not been resolved and paid in full except for deficiencies and assessments being contested in good faith as listed and described in Schedule 4.10.2 or as specifically disclosed to L+M, and no United States federal, state, local or foreign audits or other administrative or judicial proceedings are presently pending with regard to any Taxes or Tax Returns of, or relating to, the operations of the YNHHSC Affiliates. There are no Liens for Taxes upon any assets owned by the YNHHSC Affiliates except for Permitted Encumbrances.

4.10.3 As of the Closing, except as specifically disclosed to L+M, each of the YNHHSC Affiliates is recognized by the IRS as exempt from United States federal income taxation, and is recognized by the State of Connecticut as exempt from state and local income taxes, real property taxes and qualifies for sales tax exemptions available to organizations described in Section 501(c)(3) of the Code.

4.10.4 [Reserved]

4.10.5 [Reserved]

4.10.6 [Reserved]

4.10.7 YNHHSC has provided to L+M copies of the letters and/or rulings from the IRS which recognize that the YNHHSC Obligated Group Members are Tax-Exempt Organizations exempt from United States federal income taxes under Section 501(a) of the Code as organizations described in Section 501(c)(3) of the Code and not as "private foundations" as such term is defined in Section 509 of the Code (the "***YNHHSC Determination Letters***"). The YNHHSC Determination Letters have not been modified, limited or revoked, in whole or in part, and none of the YNHHSC Obligated Group

Members for which YNHHSC Determination Letters have been provided has been notified that the IRS is proposing to revoke an YNHHSC Determination Letter. There is no pending request by any of the YNHHSC Obligated Group Members for a redetermination of tax-exempt status as an organization described in Section 501(c)(3) of the Code. Each of the YNHHSC Obligated Group Members that are the subject of the YNHHSC Determination Letters are in compliance with all of the terms, conditions, and limitations contained in the YNHHSC Determination Letters, if any, and there has been no conduct by any such YNHHSC Obligated Group Members, of such nature that would warrant modification, limitation or revocation of the YNHHSC Determination Letters. To the best of YNHHSC's Knowledge, none of any such YNHHSC Affiliates has any "unrelated business income" as defined in Sections 511 through 514 of the Code which would adversely affect any of the YNHHSC' status as an organization described in Section 501(c)(3) of the Code. None of any such YNHHSC Obligated Group Members has been notified that the IRS is proposing to investigate its continued qualification as an organization described in Section 501(c)(3) of the Code or that there are any administrative or judicial proceedings pending or threatened which may adversely affect the classification of any of any such YNHHSC Obligated Group Members as an organization described in Section 501(c)(3) of the Code and not a private foundation under Section 509 of the Code.

4.10.8 The YNHHSC 2014 Bond Disclosure Documents contains a description of each tax-exempt financing, benefiting any of the Members of the YNHHSC Obligated Group. Each of the Members of the YNHHSC Obligated Group is in compliance in all material respects with all covenants required to be complied with by it under the YNHHSC Tax-Exempt Bonds.

4.10.9 With respect to the YNHHSC Tax-Exempt Bonds no action has been taken or omitted to be taken by any of the Members of the YNHHSC Obligated Group which would cause such YNHHS Tax-Exempt Bonds to be an "arbitrage bond" under Section 148(a) of the Code. Each of the YNHHS Tax-Exempt Bonds is in compliance with the arbitrage rebate requirement of Section 148(f) of the Code. No action has been taken or omitted to be taken by any of the Members of the YNHHSC Obligated Group which would cause any YNHHS Tax-Exempt Bonds not to be "qualified 501(c)(3) bonds" within the meaning of Section 145 of the Code. Each of the YNHHS Tax-Exempt Bonds satisfies all applicable requirements set forth in Sections 147 and 149 of the Code in order for interest thereon to be excluded from gross income for federal income tax purposes.

4.11 [Reserved]

4.12 Intellectual Property. To the Knowledge of YNHHSC, each of the YNHHSC Affiliates owns free and clear of all Liens other than Permitted Encumbrances described in clause (b) or (c) of the definition of such term, Liens granted under the YNHHSC Master Trust Indenture securing indebtedness that is disclosed and described in the YNHHSC 2014 Audited Financial Statements and Liens listed or described in Schedule 4.12, or is licensed or otherwise has the valid and enforceable right to use, all Intellectual Property used in or necessary to the conduct of its operations other than failures to own, be licensed or have the right to use Intellectual Property that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All such licenses and agreements with third parties relating to

such Intellectual Property that are material to the business operations of the YNHHSC Affiliates, taken as a whole, are valid and binding and in full force and effect, and to the Knowledge of YNHHSC, none of the parties thereto is in default thereunder or breach thereof if such breach or default, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. To the Knowledge of YNHHSC, there is no pending claim by any third party challenging the ownership, validity or use of any material Intellectual Property that is material to the business operations of the YNHHSC Affiliates, taken as a whole.

4.13 [Reserved]

4.14 [Reserved]

4.15 Litigation.

4.15.1 Except as specifically disclosed to L+M or as disclosed pursuant to Section 4.9, there are no Litigations or Proceedings pending or, to the Knowledge of YNHHSC, threatened against the YNHHSC Affiliates, except for any such suit, claim, action, proceeding, arbitration, hearing, inquiry or investigation which (i) is not reasonably expected as of the date hereof, together with any related claims arising out of the same set of facts, to involve an amount in controversy in excess of $5,000,000, in the aggregate, excluding malpractice, general liability and other claims which are fully insured (subject to customary deductible and retention amounts), or (ii) would not be reasonably expected to have a Material Adverse Effect.

4.15.2 There are no outstanding orders, injunctions or decrees of any Governmental Authority (other than orders, injunctions or decrees of general applicability and which do not specifically name an YNHHSC Affiliate) which would have a Material Adverse Effect.

4.16 Labor Relations.

4.16.1 Except for the Collective Bargaining Agreements described in Schedule 4.16.1 and except as disclosed to L+M, (i) none of the YNHHSC Affiliates is a party to, nor bound by, any Collective Bargaining Agreement; (ii) none of the YNHHSC Affiliates' employees are covered by the terms of any Collective Bargaining Agreements; (iii) to the Knowledge of YNHHSC, no labor union, trade union or labor organization of the YNHHSC Affiliates has since December 31, 2011, made a pending demand for recognition or certification, as a collective bargaining representative of the YNHHSC Affiliates' employees and, to the Knowledge of YNHHSC, there are no representation election petitions filed with the National Labor Relations Board pertaining to the YNHHSC Affiliates' employees; (iv) YNHHSC has no Knowledge of any union organizing activities with respect to any employees of the YNHHSC Affiliates; (v) since October 1, 2011, to the Knowledge of YNHHSC, there have been no actual or threatened arbitrations, grievances, unfair labor practices, labor disputes, strikes, lockouts, slowdowns or collective work stoppages against the YNHHSC Affiliates except for those that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect; and (vi) since October 1, 2011, neither the YNHHSC Affiliates nor any of their employees, agents or representatives have committed any material unfair labor practice as defined in the

National Labor Relations Act which could reasonably be expected to have a Material Adverse Effect.

4.16.2 Each of the YNHHSC Affiliates: (i) is not in violation in any material respect of any Applicable Law pertaining to labor, employment or employment practices including, but not limited to, all Applicable Laws regarding health and safety, wages and hours, labor relations, employment discrimination, disability rights or benefits, equal opportunity, immigration, plant closures and layoffs, affirmative action, employee leave issues, unemployment insurance and workers' compensation, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, or (ii) except as listed in Schedule 4.16.2, is not a party to any currently pending claim, action, arbitration, audit, hearing, investigation, complaint, charges, litigation or suit or governmental inquiry alleging a violation of any Applicable Law pertaining to labor, employment or employment practices, nor, to the Knowledge of YNHHSC, is any such claim, action, arbitration, audit, hearing, investigation, complaint, charges, litigation or suit or governmental inquiry pending or threatened, except in each case for matters the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

4.16.3 Except as specifically disclosed to L+M, to the Knowledge of YNHHSC, each of the YNHHSC Affiliates: (i) has taken reasonable steps to properly classify and treat all of their workers, interns, trainees and volunteers as independent contractors or employees, (ii) has taken reasonable steps to properly classify and treat all of their employees as "exempt" or "nonexempt" from overtime requirements under Applicable Law, (iii) is not delinquent in any material payments to, or on behalf of, any current or former independent contractors or employees for any services or amounts required to be reimbursed or otherwise paid, (iv) has withheld and reported all material amounts required by Applicable Law or by agreement to be withheld and reported with respect to wages, salaries and other payments to any current or former independent contractors or employees; and (v) is not liable for any material payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for any current or former independent contractors or employees (other than routine payments to be made in the normal course of business and consistent with past practice). To the Knowledge of YNHHSC, none of the YNHHSC Affiliates has direct or indirect material Liability as a result of any misclassification of any Person as an independent contractor rather than as an employee.

4.16.4 Except as listed in Schedule 4.16.4, to the Knowledge of YNHHSC, no employee or former employee of the YNHHSC Affiliates is in any material respect in violation of any term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, non-competition agreement, restrictive covenant or other obligation: (i) to the YNHHSC Affiliates or (ii) to a former employer of any such employee relating (A) to the right of any such employee to be employed by the YNHHSC Affiliates or (B) to the knowledge or use of trade secrets or proprietary information in connection with his or her employment with the YNHHSC

Affiliates, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

4.16.5 Each of YNHHSC Affiliates is and for the last 18 months has been in compliance with all notice and other requirements under the WARN Act. In the 18 months prior to the date hereof, each of the YNHHSC Affiliates has not (i) effectuated a "plant closing" (as defined in the WARN Act) or (ii) effectuated a "mass layoff" (as defined in the WARN Act).

4.17 [Reserved]

4.18 Environmental, Health, and Safety Matters.

4.18.1 Each YNHHSC Affiliate is in material compliance with all Environmental, Health, and Safety Requirements except to the extent that any non-compliance with Environmental, Health and Safety Requirements would not reasonably be expected to have a Material Adverse Effect.

4.18.2 Except as specifically disclosed to L+M, no YNHHSC Affiliate has received any written notice, report or other written information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements, or any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), concerning the Remediation of any Environmental Condition or Hazardous Substances relating to the YNHHSC Affiliates that remains outstanding or unresolved.

4.19 [Reserved]

4.20 Illegal Payments. To the Knowledge of YNHHSC, none of the YNHHSC Affiliates, nor any of their respective officers, directors, agents or employees or any other person on behalf of the YNHHSC Affiliates, has made directly or indirectly any illegal payment to or on behalf of, or provided any illegal benefit or inducement for, any physician, supplier or patient of the YNHHSC Affiliates. To the Knowledge of YNHHSC neither the YNHHSC Affiliates, nor any of their respective officers, directors, employees or agents has, directly or indirectly, paid or delivered a fee, commission or other sum of money or item or property, however characterized, to any finder, agent, Governmental Authority or other party, in the United States or any other country, which was or is illegal under any Applicable Law. To the Knowledge of YNHHSC, none of the YNHHSC Affiliates, nor any of their respective officers, directors, employees or agents has made any payment to any supplier of the YNHHSC Affiliates or any officer, director, employee or agent of any patient or supplier of the YNHHSC Affiliates, for the unlawful sharing of fees or to any such patient or supplier or any such officer, director, employee or agent for the unlawful rebating of charges, or engaged in any other unlawful payment or given any other unlawful consideration to any such enrollee, patient or supplier or any such officer, director, employee or agent.

4.21 Bankruptcy. None of the YNHHSC Affiliates is the subject of bankruptcy, insolvency or any similar proceedings.

4.22 [Reserved]

4.23 Foreign Operations. The YNHHSC Affiliates have no operations outside the United States.

4.24 [Reserved]

4.25 [Reserved]

4.26 Regulatory Matters.

4.26.1 To the Knowledge of YNHHSC, since October 1, 2011, the YNHHSC Affiliates have timely filed all material reports, statements, documents, registrations, filings or submissions required to be filed by the YNHHSC Affiliates with any Governmental Authorities, including in connection with or required by any Material Contracts, except where the failure to timely file has not resulted and would not reasonably be expected to result in a Material Adverse Effect. All such reports, statements, documents, registrations, filings and submissions were true, correct and complete in all material respects when filed, complied in all material respects with Applicable Law in effect when filed. Except as set forth on Schedule 4.26, since October 1, 2011, no material deficiencies have been asserted by any such Governmental Authority with respect to such reports, statements, documents, registrations, filings or submissions that have not been satisfied, or, if not yet satisfied, where satisfaction is not yet due. To the Knowledge of YNHHSC, the Material Contracts are in compliance with Applicable Law.

4.26.2 Except as specifically disclosed to L+M, since October 1, 2011, the YNHHSC Affiliates have not been subject to any finding, agreement, settlement or fine regarding noncompliance with any Applicable Law (including fraudulent procedures or practices but excluding any finding, agreement, settlement or fine that resulted only in a monetary penalty of $350,000.00 or less) that resulted in or would reasonably be expected to result in a Material Adverse Effect. Except as specifically disclosed to L+M, to the Knowledge of YNHHSC, since October 1, 2011, the YNHHSC Affiliates have not been subject to any pending or threatened audit, investigation or other regulatory review relating to any noncompliance with any Applicable Law (including fraudulent procedures or practices, or, to the Knowledge of YNHHSC, OSHA violations and any warning letters or observations (including any FDA warning letters or FDA Form 483 observations)), other than regularly scheduled periodic audits and reviews.

4.26.3 Neither YNHHSC nor any YNHHSC Subsidiary has been excluded, debarred or otherwise deemed ineligible to participate in Medicare, Medicaid or any other federal or state health care programs or in any federal or state procurement or non-procurement programs, nor has YNHHSC or any YNHHSC Subsidiary been convicted of a criminal offense related to the provision of federal health care items or services, nor, to YNHHSC's Knowledge, is an investigation or proceeding regarding the foregoing pending or threatened. YNHHSC and each of the YNHHSC Subsidiaries that provides services to beneficiaries of Government Payer programs is (i) qualified for participation in, and has current and valid provider contracts with, the Government Payer programs and /or their fiscal intermediaries or paying agents and is in material compliance with the conditions of

participation or requirements applicable with respect to such participation and (ii) eligible for payment under the Government Payer programs for services rendered to qualified beneficiaries.

4.27 Consents and Approvals. No consents with respect to Material Contracts or approvals of any Governmental Authority are required to be obtained by any YNHHSC Affiliate in connection with the execution, delivery and performance by YNHHSC of this Agreement or the consummation of the transactions contemplated by this Agreement, except for (a) the requirements of the HSR Act and (b) as set forth in Schedule 4.27, which shall include, but not be limited to, any filings with, and approvals from (i) OHCA, (ii) RIDOH upon the recommendation of the Rhode Island Health Services Council, and (iii) the Rhode Island Attorney General.

4.28 Billing, Recoupments and Overpayments.

4.28.1 To the Knowledge of YNHHSC, during the period of the applicable statutes of limitation, all Reimbursement Claims submitted by the YNHHSC Affiliates comply in all material respects with all Applicable Laws, including but not limited to Health Care Fraud and Abuse Laws, and all Payer Program contracts, provider manuals, policies, guidance, and reimbursement requirements governing reimbursement and payment of claims and do not contain any material errors, omissions or disallowances, except as specifically disclosed to L+M, to the extent that non-compliance or errors or omissions would not individually or in the aggregate be reasonably expected to have a Material Adverse Effect. Except as specifically disclosed to L+M, none of the YNHHSC Affiliates have any outstanding overpayment or refund obligations due to any individual Payer Program in excess of $5,000,000 in the aggregate. Except as specifically disclosed to L+M, none of the YNHHSC Affiliates has received notice of any material disallowance, overpayment, refund or dispute between the YNHHSC Affiliates, on the one hand, and any Payer Program, or agent thereof, on the other hand, regarding such Reimbursement Claims that has not been resolved and, to the Knowledge of YNHHSC, there are no facts or circumstances which may reasonably be expected to give rise to any disallowance, overpayment, refund or dispute that individually or in the aggregate would be reasonably expected to have a Material Adverse Effect.

4.28.2 [Reserved]

4.29 [Reserved]

4.30 Clinical Trials. To the Knowledge of YNHHSC, all clinical trials currently being conducted at the YNHHSC Affiliates are being conducted (i) with the approval and/or waiver of an appropriately constituted and duly registered IRB and (ii) in compliance with the applicable IRB policies and procedures, study agreements with trial sponsors and/or contract research organizations, and all Applicable Law, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Within the past two years, no clinical trial conducted at the YNHHSC Affiliates has been subject to suspension or termination (other than by the sponsor of the trial due to reasons unrelated to the YNHHSC Affiliate's performance of its obligations) due to patient safety concerns, material non-compliance with the applicable study agreement or Applicable Law, except for suspensions

or terminations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. Within the past two years, none of the YNHHSC Affiliates, nor to the Knowledge of YNHHSC, any investigator involved in a clinical trial at the YNHHSC Affiliates, has received any correspondence or communication relating to the applicable YNHHSC Affiliate's conduct from any trial sponsor, contract research organization, IRB or Governmental Authority, including without limitation the Connecticut Department of Public Health, FDA or the OHRP, regarding patient safety breaches, billing issues associated with care provided to clinical trial subjects, obligations to register and report results of clinical trials, research misconduct, notice of pending debarment or disqualification, or other material non- compliance with the applicable study agreement or Applicable Law, except for violations the effect of which would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

4.31 Relationship with Pharmaceutical and Medical Device Manufacturers, Vendors and Suppliers. Except as specifically disclosed to L+M, (i) to the Knowledge of YNHHSC, each of the YNHHSC Affiliates is in compliance with the applicable YNHHSC Affiliate's policies and procedures regarding interactions with pharmaceutical manufacturers, medical device manufacturers, equipment and supply vendors, including without limitation, those relating to conflicts of interest, product samples, transfers of value and remuneration arrangements, and (ii) such policies and procedures are reasonably designed to comply with Applicable Law.

4.32 Solvency of the YNHHSC Affiliates. Immediately after giving effect to the transactions contemplated by this Agreement, none of the YNHHSC Affiliates will (a) be insolvent (either because its financial condition is such that the sum of its Liabilities is greater than the fair value of its assets or because the fair salable value of its assets is less than the amount required to pay probable Liabilities as they mature), (b) have unreasonably small capital with which to engage in its business or (c) have incurred Liabilities beyond its ability to pay as they become due. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the YNHHSC Affiliates.

4.33 Charitable Funds. To the Knowledge of YNHHSC, YNHHSC and the YNHHSC Subsidiaries have solicited, received, held, invested, expended and applied charitable funds donated to them in all material respects in accordance with all restrictions placed thereon by donors, the terms of any applicable solicitation and Applicable Laws. Neither YNHHSC nor any of the YNHHSC Subsidiaries has received written notice of any, whether actual or alleged, misuse of funds, failure to comply with any donor-imposed restriction, breach of duty related to the funds, or violation of any Applicable Laws which would reasonably be expected to have a YNHHSC Material Adverse Effect, nor to the Knowledge of YNHHSC, has any such misuse, failure, breach or violation occurred.

4.34 No Undisclosed Liabilities. Except as specifically disclosed to L+M, none of the YNHHSC Affiliates has material Liabilities or material obligations of any nature (including, without limitation, any direct or indirect Indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise and whether due or to become due, or liability or obligations for an overpayment, duplicate payments, refunds discounts or adjustments due to any Third Party

Payer, including any federal or state health care program) arising out of, or relating to, the business operations of YNHHSC Affiliates and which are required to be reflected on a balance sheet prepared in accordance with GAAP, except: (i) liabilities or obligations as and to the extent reflected on or accrued or reserved against as set forth in the YNHHSC 2014 Audited Financial Statements; and (ii) liabilities incurred since the date of the YNHHSC 2014 Audited Financial Statements in the ordinary course of business. Neither YNHHSC nor any of the YNHHSC Subsidiaries is in default of any term or condition of any Indebtedness or other Liability in excess of $250,000, including any trade payable.

4.35 Completeness of Disclosure. No representation or warranty by YNHHSC in this Agreement, or any written certificate, schedule or exhibit, when taken as a whole with all such other representations, warranties, certificates, schedules and exhibits, and when taken as a whole with the YNHHSC 2014 Bond Disclosure Documents, contains or will contain any untrue statement of a material fact or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not misleading in light of the circumstances under which it was made.

ARTICLE 5

OBLIGATIONS BEFORE CLOSING

5.1 L+M's Obligations. From the Effective Date until the Closing (or the earlier termination of this Affiliation Agreement pursuant to Article 8):

5.1.1 Access to Premises and Information. YNHHSC and its counsel, accountants, and other representatives shall have reasonable access during normal business hours and upon reasonable prior notice to all properties, books, accounts, records, contracts and documents of or relating to L+M and the L+M Affiliates. Upon reasonable request by YNHHSC, L+M shall furnish or cause to be furnished to YNHHSC and its representatives all data and information concerning the businesses, finances and properties of L+M and the L+M Affiliates, so long as responding to such requests does not unreasonably interfere with the operations of the L+M Affiliates.

5.1.2 Conduct of Business in Normal Course. L+M shall and shall cause the L+M Subsidiaries to carry on their businesses and activities not other than in the ordinary course of business and in accordance with the terms of this Article 5.

5.1.3 Preservation of Business and Relationships. L+M shall and shall cause the L+M Subsidiaries to use their commercially reasonable efforts to preserve their assets, subject to normal wear and tear and casualty, and business organizations, to keep available their present officers and employees and to substantially preserve their present material relationships with suppliers, payors, patients and others having business relationships with L+M or the L+M Affiliates; provided, however, that nothing in this Section 5.1.3 shall limit or restrict the right of L+M and the L+M Affiliates to terminate, discipline, or change the duties of any officers or employees, or to engage in staff reductions or consolidations prior to the Closing Date (to the extent such actions are consistent with the then current applicable policies and procedures of L+M and /or the L+M Subsidiaries, as applicable, any collective bargaining agreement, any employment

agreements and Applicable Law and do not give rise to executive severance obligations that exceed standards of reasonableness for services and roles within the L+M Affiliates).

5.1.4 Corporate Matters. L+M shall not shall and shall cause the L+M Subsidiaries not to, without the prior written consent of YNHHSC, amend their certificates of incorporation or bylaws (or other governing documents) except as permitted or required by this Affiliation Agreement to do so.

5.1.5 Maintenance of Insurance. L+M shall and shall cause the L+M Subsidiaries to continue to carry their existing insurance, including any self-insured insurance plans, subject to variations in amounts required by the ordinary operations of its businesses.

5.1.6 Employees and Compensation. Except in the ordinary course of business, as contemplated in the Applicable L+M Budget, required in an express term of a contract, as required by Applicable Law or with YNHHSC's prior written consent, L+M shall not and shall cause the L+M Subsidiaries not to do or agree to do any of the following acts:

(a) Grant any increase in salaries payable or to become payable by any of them to any officer or employee;

(b) Increase benefits payable to any officer or employee under any bonus or pension plan or other contract or commitment, other than reasonable and customary retention bonuses; or

(c) Modify any collective bargaining agreement to which L+M or any L+M Affiliate is a party or by which any of them may be bound unless required by Applicable Law or an express term of a collective bargaining agreement (provided that this Section 5.1.6 shall not limit or restrict the right of any L+M Affiliate to renegotiate any collective bargaining agreement that is expired as of or expires after the date of this Affiliation Agreement).

5.1.7 New Transactions. L+M shall not and shall cause the L+M Subsidiaries not to do or agree to do any of the following acts without the prior written consent of YNHHSC:

(a) Enter into any contract, commitment or transaction not in the ordinary course of business;

(b) [Reserved];

(c) Make any capital expenditure or expenditures in excess of $5,000,000 not contemplated by the Applicable L+M Budget, except that on notice to YNHHSC L+M or an L+M Subsidiary may make unbudgeted capital expenditures that L+M determines are necessary (i) to remediate unexpected life safety or property safety issues, or (ii) to comply with unexpected issues that, if not remediated, would cause noncompliance with regulatory requirements.

(d) Enter into any lease of capital equipment or property under which the annual lease charge is in excess of $500,000 that is not contemplated by the Applicable L+M Budget;

(e) Sell or dispose of any capital assets with a net book value in excess of $500,000 with respect to any individual transaction or $2,000,000 in the aggregate;

(f) [Reserved];

(g) Incur any Indebtedness (other than a line or lines of credit under which the aggregate availability does not exceed the amount contemplated by the Applicable L+M Budget) or make any loans or advances to any Person other than (i) inter-company advances in the ordinary course of business and (ii) tuition reimbursement and/or housing assistance loans to employees that are made pursuant to L+M's existing policies and are reasonably consistent with past practice;

(h) Enter into any compromise or settlement of any Litigation or Proceeding involving a payment by L+M or any L+M Affiliate exceeding the greater of (i) $500,000.00 or (ii) the amount reserved, if any, with respect to such Litigation or Proceeding in the Financial Statements, unless (in either case) covered by insurance;

(i) Enter into any agreement that restrains, limits or impedes the ability of L+M or any L+M Affiliate to compete with or conduct any business or line of business;

(j) [Reserved]; or

(k) Enter into any new collective bargaining agreement unless required by law or an express term of a collective bargaining agreement (provided that this Section 5.1.7 shall not limit or restrict the right of any L+M Affiliate to renegotiate any collective bargaining agreement that is expired as of or expires after the date of this Affiliation Agreement).

5.1.8 Consents of Third Parties. L+M shall use its and shall cause the L+M Subsidiaries to use their Commercially Reasonable Best Efforts to obtain the consents of all third parties required to be obtained by L+M or the L+M Subsidiaries for the consummation of the transactions contemplated by this Affiliation Agreement.

5.1.9 Certain Compliance Matters.

(a) After the Effective Date and prior to the Closing Date L+M shall engage a qualified environmental consultant to conduct an operational compliance self-audit of the operations of LMH, LMW, LMMG and VNA of Southeastern Connecticut with respect to Environmental, Health and Safety Requirements and to complete a written report of such self-audit prior to the Closing Date. Prior to the Closing Date, to the extent reasonably feasible, the applicable L+M Affiliates shall implement any necessary corrective or remediation plans or recommendations included in such report (as reasonably determined by L+M) in accordance with the time periods set forth in such reports; *provided, however*, that to the extent that the applicable L+M Affiliates are continuing in good faith to implement such plans or recommendations at

Closing, the failure to have completed such plans and recommendations as of the Closing Date shall not be deemed to be a breach of this Section 5.1.9.

(b) L+M shall be responsible at its expense for preparing and filing with DEEP as transferor and (if applicable) as "certifying party" any filings required by the Transfer Act with respect to any real properties owned, leased or occupied by LMMG (collectively, the "LMMG Properties") or LMMG's business operations that the Parties mutually determine may be deemed to constitute an "establishment" as such terms are defined in the Transfer Act and for prosecuting any investigatory or remediation obligations under the Transfer Act.

(c) To the extent that any Governmental Authority determines that any L+M Real Property or business operation other than the LMMG Properties and business operations is subject to the requirements of the Transfer Act, L+M, or the L+M Affiliate that owns such L+M Real Property or conducts such business operation, shall be responsible at its expense for preparing and filing with DEEP as transferor and (if applicable) as "certifying party" any filings required by the Transfer Act with respect to such L+M Real Property or business operation and for prosecuting any investigatory or remediation obligations under the Transfer Act.

(d) Prior to the Closing Date L+M shall cause to be conducted a Phase I environmental site assessment of each Owned Real Property (which may be an updated Phase I assessment if a Phase I assessment has already been conducted) and, if any Recognized Environmental Condition (as such term is defined in the applicable American Society for Testing and Materials standard) is identified in any such assessment, L+M shall cause such condition to be further investigated through a Phase II or Phase III investigation, as appropriate. Prior to the Closing Date, L+M shall cause a qualified environmental consultant to make recommendations with respect to any corrective or remediation actions that should be carried out based on such environmental site assessments and the requirements of Environmental, Health and Safety Requirements, and to the extent reasonably feasible, L+M shall complete all compliance or remediation recommendations required by Environmental, Health and Safety Requirements; *provided, however*, that to the extent that L+M is continuing in good faith to implement such recommendations at Closing, the failure to have completed such plans and recommendations as of the Closing Date shall not be deemed to be a breach of this Section 5.1.9.

5.1.10 Governmental Approvals. L+M shall and shall cause the L+M Subsidiaries to use their Commercially Reasonable Best Efforts to obtain all licenses, permits, consents, approvals, authorizations, qualifications and orders of any Governmental Authorities as are necessary for each to consummate the transactions contemplated hereby, including, without limitation, the Hart-Scott-Rodino Act filing and the approvals of OHCA, RIDOH and the Rhode Island Attorney General.

5.1.11 No-Shop Clause. From the Effective Date until Closing, L+M shall not and shall cause the L+M Subsidiaries not to, without the prior written consent of YNHHSC: (a) offer for sale or consider any offer to purchase, all or substantially all of the assets of or any ownership or control interest of or in L+M or any L+M Subsidiaries or to admit any Person as a member of L+M or any L+M Subsidiary; (b) solicit or consider offers to buy all or substantially all of the assets of or any ownership or control interest of or in L+M or any L+M Affiliate or to admit any Person as a member of L+M or any L+M Subsidiary; (c) hold discussions with any Person or organization (other than YNHHSC)

looking toward such an offer or solicitation or looking toward a merger or consolidation of or in or admission of a member to L+M or any L+M Subsidiaries or (d) enter into any agreement with any Person or organization (other than YNHHSC) with respect to the sale, management, operation or other disposition of all or substantially all of the assets of or any ownership or control interest in L+M or any L+M Subsidiary, or with respect to any merger, consolidation or similar transaction involving L+M or any L+M Subsidiary, or with respect to the admission of any member to L+M or any L+M Subsidiary, (each such transaction set forth in clauses (a), (b), (c) and (d) being referred to herein as an "***L+M Corporate Transaction***"); provided, however, that nothing in this Section 5.1.11 shall prohibit or restrict L+M from entering into, or causing a L+M Subsidiary to enter into, an L+M Corporate Transaction with L+M or another L+M Subsidiary for the purpose of consolidating an L+M Subsidiary that does not have material business operations as of the date of this Affiliation Agreement.

5.1.12 Satisfaction of Conditions. L+M shall and shall cause each L+M Subsidiary to take all steps reasonably necessary to be taken on its part to cause the conditions precedent to the consummation of the transactions contemplated by Article 6 to be satisfied and to close the Affiliation.

5.1.13 Notice of Breach. In the event that L+M or any L+M Subsidiary breaches, in any material respect, any of its covenants contained in this Article 5, L+M shall promptly deliver written notice of such breach to YNHHSC and such notice shall provide a detailed description of such breach and the date that the breach first occurred.

5.1.14 Covered Transactions. At least prior to the consummation by any L+M Affiliate of any Covered Transaction, L+M shall give notice to YNHHSC of the intent of such L+M Affiliate to consummate such Covered Transaction, of the parties thereto and of the material terms thereof (except for any such information that counsel to L+M deems to be competitively sensitive, in which case L+M shall cause its counsel to give notice of such information to counsel to YNHHSC). Upon the consummation by any L+M Affiliate of any Covered Transaction, L+M shall give notice to YNHHSC of the consummation of such Covered Transaction and of any change in the parties thereto and of the material terms thereof as compared to the prior notice given to YNHHSC with respect to such Covered Transaction (except for any such information that counsel to L+M deems to be competitively sensitive, in which case L+M shall cause its counsel to give notice of such information to counsel to YNHHSC).

5.1.15 L+M Budgets. No later than the last day of each fiscal year of the L+M Affiliates that occurs between the Effective Date and the Closing Date, L+M shall cause each L+M Affiliates to adopt a capital and operating budget for the ensuing fiscal year and to deliver to YNHHSC true, correct and complete copies of such capital and operating budget.

5.1.16 Renegotiated Collective Bargaining Agreements. Upon executing any renegotiated collective bargaining agreement that is expired as of or expires after the date of this Affiliation Agreement, L+M shall deliver a true, correct and complete copy of such renegotiated collective bargaining agreement to YNHHSC.

5.1.17 L+M Subsidiaries Amended Certificates of Incorporation and Bylaws. On or prior to the Closing Date, L+M shall cause: (i) LMH to adopt the LMH Amended Certificate of Incorporation and the LMH Amended Bylaws; (ii) LMW to adopt the LMW Amended Certificate of Incorporation and the LMW Amended Bylaws; and (iii) VNA of Southeastern Connecticut to adopt the VNA of Southeastern Connecticut Amended Certificate of Incorporation and the VNA of Southeastern Connecticut Amended Bylaws.

5.1.18 YNHHSC Consent Rights. Except as otherwise expressly contemplated in this Affiliation Agreement, to the extent that L+M requests the consent of YNHHSC with respect to any transaction, action or event contemplated in Section 5.1.6 or Section 5.1.7 (i) YNHHSC shall not unreasonably withhold, condition or delay such consent and (ii) YNHHSC shall respond to such request for consent within ten (10) business days after the date on which notice of such request is given in accordance with this Section 5.1.18. Any request under this Section 5.1.18 shall be transmitted by L+M via electronic mail and overnight courier to the persons and in accordance with the address information set forth on Exhibit 5.1.18 and shall be confirmed by telephonic communication to each such person using the telephone numbers set forth on Exhibit 5.1.18. If no response is received from YNHHSC within five (5) business days after notice of the initial request for consent has been so given, a second notice shall be transmitted by L+M via electronic mail and overnight courier, and confirmed by telephone, in the same manner and in accordance with the instructions set forth on Exhibit 5.1.18. If following the giving of both such notices, and the expiration of the ten (10) business day response period, YNHHSC fails to respond to any such request for consent, YNHHSC shall be deemed to have consented to the transaction, action or event described in such request. If YNHHSC responds to any such request for consent within the applicable ten (10) business day period, including by requesting additional information with respect to the request, then YNHHSC's consent shall only be deemed granted if YNHHSC expressly consents in writing to such transaction, action or event.

5.2 YNHHSC Obligations.

5.2.1 Access and Information. YNHHSC shall furnish or cause to be furnished to L+M and its counsel, accountants and other representatives all data and information concerning the businesses and finances of YNHHSC that is pertinent to the transactions contemplated by this Agreement and that is reasonably requested by L+M.

5.2.2 Governmental and Other Approvals. YNHHSC shall use its Commercially Reasonable Best Efforts to (i) obtain all licenses, permits, consents, approvals, authorizations, qualifications and orders of any Governmental Authorities that are required to be obtained by YNHHSC in order to consummate the transactions contemplated hereby, including, without limitation, the Hart-Scott-Rodino Act filing and the approvals of OHCA and RIDOH; and (ii) participate in all other meetings related to obtaining approval for this transaction requested by L+M including without limitation, meetings with (a) local communities as required by Applicable Law; and (b) L+M's Board of Trustees.

5.2.3 Consents of Third Parties. YNHHSC shall use its Commercially Reasonable Best Efforts to obtain the consents of all third parties required to be obtained by YNHHSC for the consummation of the transactions contemplated by this Agreement.

5.2.4 Satisfaction of Conditions. YNHHSC shall take all steps reasonably necessary to be taken on its part to cause the conditions precedent to the consummation of the transactions contemplated by Article 7 to be satisfied and to close the Affiliation.

5.2.5 Notice of Breach. In the event that YNHHSC breaches, in any material respect, any of its covenants contained in this Article 5, YNHHSC shall promptly deliver written notice of such breach to L+M and such notice shall provide a detailed description of such breach and the date that the breach first occurred.

5.2.6 Notice of YNHHSC Change of Control. Within five (5) days after the execution of a definitive agreement contemplating a YNHHSC Change of Control (or simultaneously with the execution of a definitive agreement contemplating a YNHHSC Change of Control if such execution occurs less than five (5) days prior to the Closing), YNHHSC shall give notice to L+M of such contemplated YNHHSC Change of Control and of the nature of and the identity of the parties to such YNHHSC Change of Control.

5.3 Additional Due Diligence; Disclosure Schedules. YNHHSC and L+M have each furnished to the other certain requested Due Diligence Information in order to permit each of the Parties to perform a due diligence analysis of the Affiliation. From the date hereof through the Closing, (i) each Party will promptly disclose to the other Party any information of which such first mentioned Party has Knowledge that has not previously been disclosed in writing as part of the Due Diligence Information and that could, individually or in the aggregate, reasonably be expected to cause a Material Adverse Effect; (ii) L+M will provide to YNHHSC, on a monthly basis, a financial information packet on the financial condition of the L+M Affiliates, in the same form provided to L+M's Board of Trustees (except for the deletion of any competitively sensitive information); (iii) L+M will provide YNHHSC a copy of each Medicare cost report filed by any L+M Affiliate after the date hereof within five (5) business days after such filing and (iv) prior to the Closing Date (but in no event less than three (3) business days prior to the Closing Date) each Party shall deliver to the other Party updates of such Party's Disclosure Schedule (each, a "***Schedule Supplement***") solely with respect to (x) any information that first arises or of which the Party delivering such Schedule Supplement first obtains Knowledge after the date of this Affiliation Agreement and that if it existed on the date of this Agreement would be required to be reflected on the Disclosure Schedules and (y) any other information that is necessary to correct any disclosure schedule or representation or warranty and that first arises or of which the Party delivering such Schedule Supplement first obtains Knowledge after the date of this Affiliation Agreement. Each Schedule Supplement shall be deemed to be incorporated into and to supplement and amend the Disclosure Schedules as of the Closing.

5.4 Obligations in Respect of Consents and Approvals.

(a) Each Party shall use its Commercially Reasonable Best Efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate and make effective in the most expeditious

manner possible the transactions contemplated by this Affiliation Agreement, including (i) the preparation and filing of all forms, registrations and notices required to be filed to consummate such transactions, (ii) taking all reasonable actions consistent with the definition of Commercially Reasonable Best Efforts to obtain (and cooperating with the other Party in obtaining) any consent, authorization, order or approval of, or any exemption by, any third party, including any Governmental Authority (which actions will include furnishing all information required under the Hart-Scott-Rodino Act and any other Applicable Law relating to antitrust, competition or trade regulation ("***Competition Law***") required to be obtained or made by any Party or their Affiliates in connection with the transactions contemplated by this Affiliation Agreement) and (iii) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement and to fully carry out the purposes of this Agreement. Additionally, each Party will use its Commercially Reasonable Best Efforts to fulfill all conditions precedent to this Affiliation Agreement and will not take any unreasonable action that is not consistent with the definition of Commercially Reasonable Best Efforts after the date of this Affiliation Agreement that would reasonably be expected to materially delay the obtaining of, or result in not obtaining, any permission, approval or consent from any such Governmental Authority or third party required to be obtained prior to the Closing.

(b) Prior to the Closing, the parties will keep each other apprised of the status of matters relating to the completion of the transactions contemplated by this Affiliation Agreement and work cooperatively consistent with the definition of Commercially Reasonable Best Efforts in connection with obtaining all required consents, authorizations, orders or approvals of, or any exemptions by, any Governmental Authorities. In this regard, prior to the Closing, each Party will promptly provide the other Party (or its counsel) with copies of all filings and communications made by such Party with or to any Governmental Authority or any other information supplied by such Party to, or correspondence with, a Governmental Authority in connection with or with respect to this Affiliation Agreement. Each Party will promptly inform the other Party, and if in writing, furnish the other Party with copies of (or, in the case of material oral communications, advise the other parties orally of) any filing or communication from any Governmental Authorities regarding any of the transactions contemplated by this Agreement, and permit the other parties to review and discuss in advance, and consider in good faith the views of the other Party in connection with, any proposed written (or any material proposed oral) communication with any such Governmental Authority. If any Party or any representative of such Party receives a request for additional information or documentary material from any Governmental Authority with respect to the transactions contemplated by this Affiliation Agreement, then such Party will use its Commercially Reasonable Best Efforts to make, or cause to be made, promptly and after consultation with the other Party, an appropriate response in compliance with such request. Each Party will furnish the other Party with such necessary information and reasonable assistance as the other parties may reasonably request consistent with the definition of Commercially Reasonable Best Efforts in connection with its preparation of necessary filings or submissions of information to any Governmental Authority in connection with or with respect to this Agreement. Each Party may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other parties under this Section 5.4 as "outside counsel and corporate in-house antitrust counsel only." Such materials and the information contained therein will be given only to the outside legal counsel and corporate in-house antitrust counsel of the recipient and will not be disclosed by such outside counsel and corporate in-house antitrust counsel to the directors, officers or

employees (other than corporate in-house antitrust counsel) of the recipient unless express permission is obtained in advance from the source of the materials or its legal counsel. Furthermore, materials provided pursuant to this Section 5.4 may be redacted to remove references concerning each party's evaluation of the terms of the transactions envisioned by this Affiliation Agreement, as necessary to comply with contractual arrangements or as necessary to address reasonable privilege and business confidentiality considerations. To the extent that transfers of any permits issued by any Governmental Authority are required as a result of the execution of this Affiliation Agreement or the consummation of the transactions contemplated hereby, the parties will use their respective Commercially Reasonable Best Efforts to effect such transfers.

(c) The Parties will use their respective Commercially Reasonable Best Efforts to file, as promptly as practicable but in any event no later than sixty (60) days after the date of this Affiliation Agreement, notifications under the Hart-Scott-Rodino Act, and the Parties will use their respective Commercially Reasonable Best Efforts to file, as promptly as practicable, any other filings or notifications that are required under any other applicable Competition Laws. In the event that the parties receive a formal request for additional information or documentary materials after an initial notification pursuant to the Hart-Scott-Rodino Act or any other Competition Law (a "Second Request"), the Parties will use their respective Commercially Reasonable Best Efforts to respond to such Second Request, as applicable, as promptly as practicable and the Parties shall cause their respective counsel to closely cooperate during the entirety of any such Second Request review process.

(d) The parties will use their respective Commercially Reasonable Best Efforts to resolve such objections, if any, as may be asserted by any Governmental Authority respect to the transactions contemplated by this Agreement under the Hart-Scott-Rodino Act or any other applicable Competition Law.

5.5 Certain Expenses. L+M and YNHHSC hereby agree that the costs and expenses incurred by the Parties in relation to (i) the preparation and filing of all forms, registrations and notices required to be filed to consummate such transactions, (ii) taking all actions necessary to obtain (and cooperating with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, any third party, including any Governmental Authority, which actions will include furnishing all information required under the Hart-Scott-Rodino Act and any other applicable Competition Laws required to be obtained or made by any Party or their Affiliates in connection with the transactions contemplated by this Agreement, and/or (iii) participation in any antitrust or other review, proceedings or actions of any Governmental Authority relating to this Affiliation Agreement or any of the transactions envisioned hereby, including any Second Request or other request for information relating to the Affiliation, in each case, shall be allocated and paid for by the Parties in accordance with Exhibit 5.5 attached hereto. This provision shall survive in accordance with Section 11.14 hereof, whether or not the transaction contemplated by this Agreement is ever consummated.

ARTICLE 6

CONDITIONS PRECEDENT TO OBLIGATIONS OF YNHHSC

The obligations of YNHHSC hereunder are subject to the satisfaction or written waiver (in the sole discretion of YNHHSC), on or prior to the Closing Date, of the following conditions:

6.1 Representations/Warranties. The representations and warranties of L+M contained in Article 3 shall be true and correct on and as of the Closing Date as though such representations had been made on the Closing Date (other than representations and warranties made as of a specified date which shall speak as of such specific date), except as set forth in the Disclosure Schedule, except as specifically disclosed to YNHHSC and except for (i) matters not set forth in the Disclosure Schedule or specifically disclosed to YNHHSC because of the "Material Adverse Effect" qualification in any specific section of this Article 3 and (ii) matters arising from a material breach of a representation or warranties of L+M Article 3 which in the case of clauses (i) and (ii) together do not cumulatively and in the aggregate result in and are not reasonably likely to result in a Material Adverse Effect. No L+M Schedule Supplement individually, nor all L+M Schedule Supplements considered in the aggregate, when taken together with (i) matters not set forth in the Disclosure Schedule or specifically disclosed to YNHHSC because of the "Material Adverse Effect" qualification in any specific section of Article 3, and (ii) matters arising from a material breach of any representation or warranty in Article 3, shall cumulatively and in the aggregate result in or be reasonably likely to result in a Material Adverse Effect.

6.2 Covenants. Each covenant contained in this Affiliation Agreement to be complied with or performed by L+M or an L+M Affiliate on or before the Closing Date pursuant to the terms hereof shall have been complied with and performed in all material respects.

6.3 Officer's Certificate. YNHHSC shall have received from L+M an officer's certificate, executed on behalf of L+M by its president and/or chief executive officer, chief financial officer or treasurer (solely in his or her capacity as such), dated as of the Closing Date and stating, to the actual knowledge of such individual including the knowledge such person would have absent any grossly negligent or reckless or intentional acts or omissions in the performance of his/her duties as president and/or chief executive officer, chief financial officer or treasurer, as the case may be, that the conditions in Section 6.1 and Section 6.2 have been satisfied.

6.4 Litigation or Proceedings. No Litigation or Proceedings before a court or any other Governmental Authority or authority seeking to materially restrain or prohibit the transactions contemplated hereby shall be pending or threatened, and no injunction, judgment, order, decree, statute, law, rule or regulation that restrains or prohibits the transactions contemplated hereby shall have been issued, enacted or promulgated by a court or any other Governmental Authority.

6.5 Third Party Approvals. All notices, reports and other filings required to be made prior to Closing by L+M or any L+M Affiliate with, and all licenses, permits, consents, certificates of need, approvals, authorizations, clearances, qualifications or orders required to be obtained prior to Closing by YNHHSC (provided YNHHSC has pursued the same as required by

the terms hereof), L+M or any L+M Affiliate from, any Governmental Authority or any other third party for the consummation of the transactions contemplated hereby that are listed or described on Schedule 6.5 or that are otherwise required to be obtained by Applicable Law shall have been made or obtained.

6.6 Closing Deliveries. L+M shall have made the deliveries required to be made by it under Section 9.2.

6.7 Notification of TD Bank. L+M shall have provided to TD Bank, National Association, the notification required by Section 5.30 of that certain Letter of Credit and Reimbursement Agreement, dated as of November 5, 2013, by and among L+M and LMH on the one hand and TD Bank, National Association, on the other hand.

6.8 Bank of America Consent and Confirmation. L+M and LMH shall have obtained the consent of Bank of America, N.A., to the consummation of the transactions contemplated by this Affiliation Agreement under Section 7(p), and shall have obtained the confirmation of Bank of America, N.A. that the transactions contemplated by this Affiliation Agreement will not contravene Section 7(g), of that certain Continuing Covenants Agreement, dated as of October 13, 2013, by and among L+M and LMH on the one hand and Bank of America, N.A. on the other hand.

6.9 Consent of CHEFA. L+M and LMH shall have obtained the consent of the Connecticut Health and Education Facilities Authority ("CHEFA") to the consummation of the transactions contemplated by this Affiliation Agreement under Section 6.11 of the Master Trust Indenture, dated as of February 1, 1990, by and among L+M and LMH on the one hand and the Master Trustee named therein on the other hand, as the same has been amended or supplemented from time to time in accordance with its terms.

6.10 [[Intentionally Omitted]]

6.11 No L+M Material Adverse Effect. No L+M Material Adverse Effect shall have occurred since the Effective Date.

6.12 No Bankruptcy. No L+M Affiliate shall have: (i) filed for receivership or dissolution; (ii) made any assignment for the benefit of creditors; (iii) admitted in writing its inability to pay its debts as they mature; (iv) been adjudicated bankrupt; or (v) filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or entered into an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state and shall not have caused any L+M Subsidiary to take such actions set forth in clauses (i) - (v) above.

6.13 Certain Environmental Matters. L+M shall have delivered to YNHHSC copies of the reports referred to in Section 5.1.9(a) and Section 5.1.9(d).

ARTICLE 7

CONDITIONS PRECEDENT TO OBLIGATIONS OF L+M

The obligations of L+M hereunder are subject to the satisfaction or written waiver in the sole discretion of L+M, on or prior to the Closing Date, of the following conditions:

7.1 Representations/Warranties. The representations and warranties of YNHHSC contained in Article 4 shall be true and correct on and as of the Closing Date as though such representations had been made on the Closing Date (other than representations and warranties made as of a specified date which shall speak as of such specific date), except as set forth in the Disclosure Schedule, except as specifically disclosed to L+M and except for (i) matters not set forth in the Disclosure Schedule or specifically disclosed to L+M because of the "Material Adverse Effect" qualification in any specific section of Article 4 and (ii) matters arising from a material breach of a representation or warranties of YNHHSC Article 4 which in the case of clauses (i) and (ii) together do not cumulatively and in the aggregate result in and are not reasonably likely to result in a Material Adverse Effect. No YNHHSC Schedule Supplement individually, nor all YNHHSC Schedule Supplements considered in the aggregate, when taken together with (i) matters not set forth in the Disclosure Schedule or specifically disclosed to L+M because of the "Material Adverse Effect" qualification in any specific section of Article 4, and (ii) matters arising from a material breach of any representation or warranty in Article 4, shall cumulatively and in the aggregate result in or be reasonably likely to result in a Material Adverse Effect.

7.2 Covenants. Each covenant contained in this Affiliation Agreement to be complied with or performed by YNHHSC on or before the Closing Date pursuant to the terms hereof shall have been complied with and performed in all material respects.

7.3 Officer's Certificate. L+M shall have received from YNHHSC an officer's certificate, executed by YNHHSC by its president and/or chief executive officer, chief financial officer or treasurer (solely in his or her capacity as such), dated as of the Closing Date, stating, to the actual knowledge of such individual including the knowledge such person would have absent any grossly negligent or reckless or intentional acts or omissions in the performance of his/her duties as president and/or chief executive officer, chief financial officer or treasurer, that the conditions in Section 7.1 and Section 7.2 have been satisfied.

7.4 Litigation or Proceedings. No Litigation or Proceedings before a court or any other Governmental Authority or authority seeking to materially restrain or prohibit the transactions contemplated hereby shall be pending or threatened, and no injunction, judgment, order, decree, statute, law, rule or regulation that restrains or prohibits the transactions contemplated hereby shall have been issued, enacted or promulgated by a court or any other Governmental Authority.

7.5 Third Party Approvals. All notices, reports and other filings required to be made prior to Closing by YNHHSC with, and all licenses, permits, consents, approvals, authorizations, qualifications or orders required to be obtained prior to Closing by L+M or any L+M Subsidiary (provided that each applicable L+M Affiliate has pursued the same as required by the terms hereof), or YNHHSC from, any Governmental Authority or other third party in connection with

the execution and delivery of this Affiliation Agreement and the consummation of the transactions contemplated hereby that are listed on Schedule 7.5 or that are otherwise required to be obtained by Applicable Law shall have been made or obtained.

7.6 Closing Deliveries. YNHHSC shall have made the deliveries required to be made by it under Section 9.3.

7.7 Notification of TD Bank. L+M shall have provided to TD Bank, National Association, the notification required by Section 5.30 of that certain Letter of Credit and Reimbursement Agreement, dated as of November 5, 2013, by and among L+M and LMH on the one hand and TD Bank, National Association, on the other hand.

7.8 Bank of America Consent and Confirmation. L+M and LMH shall have obtained the consent of Bank of America, N.A., to the consummation of the transactions contemplated by this Affiliation Agreement under Section 7(p), and shall have obtained the confirmation of Bank of America, N.A. that the transactions contemplated by this Affiliation Agreement will not contravene Section 7(g), of that certain Continuing Covenants Agreement, dated as of October 13, 2013, by and among L+M and LMH on the one hand and Bank of America, N.A. on the other hand.

7.9 Consent of CHEFA. L+M and LMH shall have obtained the consent of the Connecticut Health and Education Facilities Authority ("CHEFA") to the consummation of the transactions contemplated by this Affiliation Agreement under Section 6.11 of the Master Trust Indenture, dated as of February 1, 1990, by and among L+M and LMH on the one hand and the Master Trustee named therein on the other hand, as the same has been amended or supplemented from time to time in accordance with its terms.

7.10 No YNHHSC Material Adverse Effect. No YNHHSC Material Adverse Effect shall have occurred since the Effective Date.

7.11 No Bankruptcy. YNHHSC shall not have: (i) filed for receivership or dissolution; (ii) made any assignment for the benefit of creditors; (iii) admitted in writing its inability to pay its debts as they mature; (iv) been adjudicated bankrupt; or (v) filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization or entered into an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any state and shall not have caused any YNHHSC Subsidiary to take such actions set forth in clauses (i) - (v) above.

ARTICLE 8

TERMINATION

8.1 Termination. This Affiliation Agreement may be terminated prior to Closing as follows:

(a) by the mutual written consent of L+M and YNHHSC; or

(b) by either Party by notice to the other Party if the Closing shall not have occurred within twenty-four (24) months after the Effective Date (the "***Outside Date***") other than as a result of a breach or default by the Party giving such notice; or

(c) by L+M or YNHHSC prior to Closing, upon the entry of a final and non-appealable injunction issued by a court of competent jurisdiction preventing the consummation of the transactions contemplated by this Affiliation Agreement; or

(d) by L+M prior to Closing, by written notice to YNHHSC, if YNHHSC shall have (i) breached any of its representations or warranties contained in this Affiliation Agreement (A) that are qualified by reference to "Material Adverse Effect" or (B) that are not qualified by reference to Material Adverse Effect in any manner which results or could reasonably be expected to result in a YNHHSC Material Adverse Effect or (ii) materially breached any of its covenants contained in this Affiliation Agreement, in each case which breach cannot be or has not been cured within sixty (60) calendar days after the giving of written notice to YNHHSC, or such longer period as is necessary if such breach cannot be cured within such sixty (60) day period, so long as YNHHSC is continuing in good faith to use its best efforts to cure such breach (provided that in no event will the provisions of this 8(d) override or extend the Outside Date provisions of Section 8.1(b)); it is understood for purposes of this Section 8.1(d) that if YNHHSC is required by the terms of Section 5.2 to take an action by a specific date and fails to take such action by such date but takes such action within the cure period specified in this Section 8.1(d) then YNHHSC shall not be deemed to have breached such covenant so long as L+M is not prejudiced by such delay; or

(e) by YNHHSC prior to Closing, by written notice to L+M, if L+M shall have (i) breached any of its representations or warranties contained in this Affiliation Agreement (A) that are qualified by reference to "Material Adverse Effect" or (B) that are not qualified by reference to Material Adverse Effect in any manner which results or could reasonably be expected to result in a L+M Material Adverse Effect or (ii) materially breached any of its covenants contained in this Affiliation Agreement, in each case which breach cannot be or has not been cured within sixty (60) calendar days after the giving of written notice to L+M; or such longer period as is necessary if such breach cannot be cured within such sixty (60) day period, so long as L+M is continuing in good faith to use its best efforts to cure such breach (provided that in no event will the provisions of this 8(e) override or extend the Outside Date provisions of Section 8.1(b)); it is understood for purposes of this Section 8.1(e) that if L+M is required by the terms of Section 5.1 to take an action by a specific date and fails to take such action by such date but takes such action within the cure period specified in this Section 8.1(e) then L+M shall not be deemed to have breached such covenant so long as YNHHSC is not prejudiced by such delay; or

(f) by YNHHSC prior to Closing by written notice to L+M, if there occurs any L+M Material Adverse Effect; or

(g) by L+M prior to the Closing by written notice to YNHHSC, if there occurs any YNHHSC Material Adverse Effect occurs; or

(h) by YNHHSC by notice to L+M if any consent or approval of any Governmental Authority that is required to be obtained as a condition of the Closing is obtained but contains or is subject to the fulfillment of conditions or requirements that YNHHSC in good

faith determines are materially inconsistent with YNHHSC's obligations under this Affiliation Agreement or YNHHSC's business and strategic plan, or such consent or approval includes additional conditions or requirements that could reasonably be expected to result in a L+M Material Adverse Effect or a YNHHSC Material Adverse Effect; provided, however that YNHHSC shall not exercise the termination right described in this Section 8.1(h) unless the senior executives of YNHHSC and L+M have met to discuss such conditions or requirements; or

(i) if L+M gives notice to YNHHSC that an L+M Affiliate proposes to undertake a Covered Transaction, and if within thirty (30) days after such notice YNHHSC gives notice to L+M that if such Covered Transaction is consummated then YNHHSC will determine that such Covered Transaction alone or together with the other Covered Transactions undertaken by L+M after the date of this Affiliation Agreement are materially inconsistent with the business and strategic objectives and plans of YNHHSC or is materially adverse to the ability of YNHHSC to accomplish its objectives with respect to the Affiliation, and if the applicable L+M Affiliate consummates such Covered Transaction, then within thirty (30) days after L+M gives notice to YNHHSC of the consummation of such Covered Transaction, YNHHSC shall have the right to terminate this Affiliation Agreement, provided, however that YNHHSC shall not exercise the termination right described in this Section 8.1(i) unless YNHHSC shall first have offered to L+M the opportunity to have the respective senior executives of L+M and YNHHSC meet to discuss such determination; or

(j) by L+M by notice to YNHHSC given within sixty (60) days after YNHHSC gives notice to L+M of a YNHHSC Change of Control.

8.2 Effect of Pre-Closing Termination. In the event of the termination of this Affiliation Agreement prior to Closing and the abandonment of the transactions contemplated hereby pursuant to Section 8.1, neither Party shall have any rights or obligations under this Agreement, except for those rights and obligations of the Parties under this Affiliation Agreement that expressly survive any such termination.

8.3 [Reserved]

8.4 Effect of Affiliation Agreement Post-Closing. The survival of the covenants or agreements of the Parties contained in this Agreement, and in any instrument, certificate, exhibit, schedule or other writing provided for in it, shall be governed by the provisions of Section 11.14, without prejudice to the terms and conditions of the Parties' respective corporate organizational documents and such contractual and other arrangements as may be in effect from time to time between them.

ARTICLE 9

CLOSING

9.1 Closing; Closing Date. The closing (the "***Closing***") of the transactions contemplated by this Agreement shall be as soon as practicable after all the conditions precedent in Article 6 and Article 7 have been satisfied; provided, however, that such date shall not be later than sixty (60) days after the Parties and any related Subsidiaries have received all necessary approvals of Governmental Authorities (the date of the Closing, the "***Closing Date***"). The

Closing shall take place at the offices of YNHHSC, or at such other place as the Parties may agree. The Closing of all transactions contemplated by this Affiliation Agreement shall be effective as of 12:01 a.m. on the day after the Closing Date (the "***Effective Time***").

9.2 Deliverables of L+M at Closing. At Closing, L+M shall deliver or cause to be delivered to YNHHSC:

(a) A copy of the L+M Amended Certificate of Incorporation, and of the L+M Subsidiaries Amended Certificates of Incorporation for each L+M Subsidiary other than LMMG, with evidence of filing thereof with the Secretary of the State;

(b) A copy of the L+M Amended Bylaws, and of the L+M Subsidiaries Amended Bylaws for each of the applicable L+M Subsidiaries other than LMMG, certified to be in full force and effect and to be true and correct by the secretary or assistant secretary of L+M;

(c) An executed copy of the LMMG-NEMG Agreement and Plan of Merger in proper form for filing with the Secretary of State;

(d) Certified resolutions of L+M and the L+M Affiliates authorizing the transactions contemplated by this Affiliation Agreement;

(e) The Officer's Certificate required by Section 6.3 hereof;

(f) [Reserved];

(g) [Reserved]; and

(h) All other documents required to be delivered by the L+M hereunder or deemed reasonably necessary or advisable by legal counsel to YNHHSC.

9.3 Deliverables of YNHHSC at Closing. At Closing, YNHHSC shall deliver to L+M:

(a) A copy of the YNHHSC Amended Certificate of Incorporation, with evidence of filing thereof with the Secretary of the State;

(b) A copy of the YNHHSC Amended Bylaws, certified to be true and correct by the secretary or assistant secretary of YNHHSC;

(c) Certified resolutions of YNHHSC authorizing the transactions contemplated by this Affiliation Agreement;

(d) The Officer's Certificate required by Section 7.3 hereof;

(e) An executed copy of the LMMG-NEMG Agreement and Plan of Merger in proper form for filing with the Secretary of State;

(f) A copy of the Amended and Restated Bylaws of NEMG and the Amended and Restated Certificate of Incorporation of NEMG, certified to be true and correct by the Secretary or Assistant Secretary of NEMG; and

(g) All other documents required to be delivered by the YNHHSC hereunder or deemed reasonably necessary or advisable by legal counsel to L+M.

ARTICLE 10

LIMITATION OF REMEDIES

10.1 [Reserved]

10.2 [Reserved]

10.3 Exclusive Remedies.

(a) If this Agreement is terminated pursuant to Section 8.1(d) or Section 8.1(e) and a Party (the "***Defaulting Party***") is determined by a final judgment of a court of competent jurisdiction to have breached or defaulted in respect of its representations and/or warranties hereunder in a manner that permits the other Party (the "***Non-Defaulting Party***") to terminate this Agreement, then the Defaulting Party shall be liable to the Non-Defaulting Party for damages in an aggregate amount equal to the third party out-of-pocket transaction expenses expended by the Non-Defaulting Party in connection with the transactions contemplated by this Agreement up to a maximum amount of $500,000 (Five Hundred Thousand Dollars) (the "***Third Party Expenses***"). If this Agreement is terminated pursuant to Section 8.1(d) or Section 8.1(e) due to a breach of Section 5.1 or Section 5.2. and the Defaulting Party is determined by a final judgment of a court of competent jurisdiction to have breached or defaulted in respect of its obligations under such covenants in a manner that permits the Non-Defaulting Party to terminate this Agreement, then the Defaulting Party shall be liable to the Non-Defaulting Party for damages in an aggregate amount equal to the sum of (i) the Third Party Expenses of the Non-Defaulting Party and (ii) a breakup fee (the "***Breakup Fee***") in an aggregate amount equal to (A) $5,000,000 (Five Million Dollars) if the Defaulting Party is L+M or (B) $35,000,000 (Thirty Five Million Dollars) if the Defaulting Party is YNHHSC. The Parties agree and confirm that the Breakup Fee is in the nature of liquidated damages, that the actual damages that would be suffered by a Party in the event of a breach or default by the other Party of Section 5.1 or 5.2 would be impossible to calculate and that the Breakup Fee does not constitute a penalty. In all other respects, the Parties hereto expressly waive and agree to forgo any and all rights to seek and obtain any form of monetary, economic or other damages (including actual, consequential, punitive and other forms of monetary or economic damages), and each of the Parties further agrees that each of the Parties will be solely entitled to injunctive relief to prevent a violation of this Agreement and to obtain specific performance to require adherence to the obligations created by this Affiliation Agreement.

(b) Before any Party brings legal action against the other Party (the "***Alleged Defaulting Party***") for failure to perform in any material respect any of its obligations under this Agreement, the entity alleging the breach (the "***Alleging Party***") will first give the Alleged Defaulting Party written notice setting forth such failure in reasonable detail and stating that the

Alleging Party requires such obligation to be performed, and will give the Alleged Defaulting Party the opportunity to perform such obligation in all material respects within sixty (60) days of its receipt of such notice, or such longer period as is necessary if for reasons outside the control of the Alleged Defaulting Party such obligation cannot be performed within such sixty (60) day period, so long as the Alleged Defaulting Party is continuing in good faith to use its best efforts to perform such obligation (provided that in no event will the provisions of this Section 10.3 override or extend the Outside Date provisions of Section 8.1(b)). If any legal action relating to the enforcement of this Agreement is brought by a Party against the other Party, the prevailing Party will be entitled to recover its reasonable costs, expenses and attorneys' fees.

(c) If the Closing shall occur, then each Party hereby waives and agrees not to assert any remedy that is in the nature of the rescission of this Agreement or the Affiliation.

ARTICLE 11

GENERAL PROVISIONS

11.1 Headings. The subject headings of the sections of this Affiliation Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions.

11.2 Entire Agreement. This Affiliation Agreement, including any Exhibits or Disclosure Schedules, constitutes the entire agreement between the Parties regarding the terms of the Affiliation.

11.3 Third Party Beneficiaries. Except for intended third party beneficiaries expressly contemplated herein, nothing in this Affiliation Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Affiliation Agreement upon any persons other than the parties to it and their respective successors and assigns, nor is anything in this Affiliation Agreement intended to relieve or discharge any obligation or liability of any third persons to a party to this Affiliation Agreement, nor shall any provisions give any third parties any rights of subrogation or action against or with respect to a party to this Affiliation Agreement.

11.4 Notices. All notices, requests, demands, waivers, consents and other communications hereunder shall be in writing, shall be delivered either in person, by overnight air courier or by mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt if delivered in person, (b) one business day after having been delivered to an air courier for overnight delivery, or (c) three (3) business days after having been deposited in the mail as certified or registered mail, return receipt requested, all fees prepaid, directed to the Party at the addresses listed below (or at such other address as shall be given in writing by a Party). A Party may change its address for purposes of this Section by giving the other Party written notice of the new address in the manner set forth in this Section 11.4.

If to YNHHSC:

Yale-New Haven Health Services Corporation
789 Howard Avenue
New Haven, CT 06510
Attention: President and Chief Executive Officer

With a copy to:

Yale-New Haven Health Services Corporation
Legal & Risk Services Department
789 Howard Avenue, CB 230
New Haven, CT 06510
Attention: General Counsel

If to L+M:

Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320
Attention: Chief Executive Officer

With a copy to:

Lawrence + Memorial Hospital
365 Montauk Avenue
New London, CT 06320
Attention: General Counsel

11.5 Counterparts. This Agreement may be executed in one or more counterparts, and when so executed each counterpart shall be deemed to be an original; said counterparts together shall constitute one and the same instrument. The transmission of an executed signature page of this Agreement or of any document, certificate, instrument or agreement required or contemplated to be executed and delivered hereby by facsimile or portable document format (.pdf) shall have the same effect as the delivery of a manually executed counterpart of this Agreement or of such document, certificate, instrument or agreement.

11.6 Assignment. Neither Party may assign or transfer any rights under this Affiliation Agreement without prior written consent of the other Party in its sole discretion.

11.7 Binding Effect. This Affiliation Agreement shall be binding upon and inure to the benefit of the Parties hereto. Each Party shall be responsible hereunder only for its own obligations and shall not be deemed to guarantee or otherwise have responsibility for the representations, acts or omissions of the other Party. Notwithstanding any assignment or delegation of rights or duties under this Affiliation Agreement by a Party that may be consented to by the other Party, no such assignment or delegation shall relieve the assigning Party of any obligation or liability under this Affiliation Agreement.

11.8 [Reserved]

11.9 Governing Law and Forum Selection. This Affiliation Agreement shall be interpreted and construed in accordance with the laws of the State of Connecticut, without regard to conflict of laws principles. Any action or proceeding between the parties relating to the Agreement must be brought in the courts of the State of Connecticut or the United States District Court for Connecticut. Each Party consents to the jurisdiction of such courts, agrees to accept service of process by mail, and waives all jurisdictional and venue defenses otherwise available to the Parties.

11.10 Severability. Should any provision of this Affiliation Agreement, or part thereof, be determined to be invalid for any reason, it shall be severed from this Affiliation Agreement and the remaining provisions of this Affiliation Agreement shall remain in full force and effect and shall be enforceable in accordance with its terms.

11.11 Cost of Transaction. Except as is otherwise provided in Sections 5.5 and 10.3, each Party shall pay the fees, expenses and disbursements of its own agents, representatives, accountants and counsel incurred in connection with the subject matter hereof and any amendments hereto.

11.12 Confidentiality. The Parties agree that any information submitted to or compiled by a Party in connection with this Agreement, including without limitation, which involves future plans or intentions, budgetary information, personnel records, patient records, marketing plans, financial statements, trade secrets, research concepts, methods or products or proprietary information belonging to or provided by third parties (the "***Confidential Information***") shall be confidential, except to the extent (i) the person or entity who provided such information consents to its disclosure or disclosure is required by law; (ii) is now or subsequently becomes generally available to the public through no fault of either Party; or (iii) can be demonstrated by either Party to be rightfully in its possession prior to receipt from the other Party in connection with the Affiliation. Each Party agrees that it shall maintain the confidentiality of all such Confidential Information delivered to it by the other Party or its agents in connection with the negotiation of this Affiliation Agreement or in compliance with the terms, conditions and covenants hereof and shall only disclose such Confidential Information to its duly authorized officers, members, trustees, directors, representatives and agents. For the avoidance of doubt, each Party's respective obligations with respect to any Confidential Information delivered to it by the other Party shall terminate as of the Closing; provided however, that each Party further agrees that if the transactions contemplated hereby are not consummated, it shall return all such Confidential Information and all copies thereof in its possession to the other Party to this Affiliation Agreement, each party shall instruct its agents and representatives to return or destroy any such material in its possession, and neither Party shall use the Confidential Information for its own benefit or the benefit of others except as specifically contemplated herein. Nothing in this Section, however, shall prohibit the use of such Confidential Information for such governmental filings as in the opinion of the counsel for a Party are (i) required by law or governmental regulations or (ii) otherwise appropriate. Each Party shall cause its Subsidiaries and its and their directors, trustees, officers, employees and agents to comply with this Section 11.12.

11.13 Public Announcements. The Parties mutually agree that they shall jointly develop a plan of communications concerning the transactions herein contemplated, and further that neither Party shall release, publish or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior consent of the other Party, except for information or filings reasonably necessary to be directed to Governmental Authorities to fully and lawfully effect the transactions herein contemplated or required in connection with Applicable Laws. Nothing herein shall prohibit either Party from responding to questions presented by the press or media without first obtaining prior consent of the other Party hereto provided such responses are made in accordance with previously agreed upon communications.

11.14 Survival. The provisions of Article 10 and Article 11 (other than Section 11.12 and Section 11.13) shall survive the Closing and any termination of this Affiliation Agreement. If the Closing shall occur, the provisions of Article 2 and Section 5.5 shall survive the Closing for a period equal to the Initial Period (provided that (i) the second sentence of Section 2.1.3, other than the proviso thereof, shall survive until the sixth anniversary of the Closing Date, as expressly contemplated thereby and (ii) the provisions of Section 2.13 shall survive for so long as the YSM Affiliation Agreement remains in effect).

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Affiliation Agreement as of the Effective Date set forth above.

LAWRENCE + MEMORIAL CORPORATION

By: _____
Name: Bruce Cummings
Title: President and Chief Executive Officer

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

By: _____
Name: Marna P. Borgstrom
Title: President and Chief Executive Officer

IN WITNESS WHEREOF, the Parties have executed this Affiliation Agreement as of the Effective Date set forth above.

LAWRENCE + MEMORIAL CORPORATION

By: _____
Name: Bruce Cummings
Title: President and Chief Executive Officer

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

By: Marna P. Bo
Name: Marna P. Borgstrom
Title: President and Chief Executive Officer

EXHIBIT 1

Definitions

"***Affiliate***" means, as to the entity in question and at the time of reference thereto, any Person that directly or indirectly controls, is controlled by, or is under common control with, the entity in question; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, membership interests, by contract, the power to appoint directors or trustees or otherwise.

"***Affiliation***" has the meaning set forth in the introductory paragraph.

"***Affiliation Agreement***" has the meaning set forth in the introductory paragraph.

"***Applicable L+M Budgets***" means, in the case of an expenditure that is made, or a transaction entered into, by an L+M Affiliate during a given fiscal year, the capital and/or operating budget (as applicable) for such L+M Affiliate for such fiscal year described in Section 5.1.15.

"***Applicable Law***" means any constitution, law, ordinance, principle of common law, code, statute, act, treaty or order of general applicability of any Governmental Authority, including the rules and regulations promulgated thereunder.

"***Associated Specialists***" means Associated Specialists of Southeastern Connecticut, Inc., a Connecticut non-stock corporation.

"***Closing***" has the meaning set forth in Section 9.1.

"***Closing Date***" has the meaning set forth in Section 9.1.

"***CMS***" mans the Centers for Medicare and Medicaid Services.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Collective Bargaining Agreement***" has the meaning set forth in Section 3.16.1.

"***Commercially Reasonable Best Efforts***" means that the applicable Party will exert every reasonable effort and expend material amounts of resources in order to accomplish an objective, that the level of such efforts and expenditures shall be such as would be expended to achieve a fundamental business objective and shall be over and above the level that would be expended to achieve an ordinary course of business; provided however that Commercially Reasonable Best Efforts shall not require a Party to (i) expend extraordinary resources, (ii) agree to change its fundamental business organization, practices or relationships (such as, but not limited to, divesting of any material business activities or undertaking material restrictive covenants), or (iii) undertake adminisrative proceedings, judicial action or litigation in order to achieve an objective.

"***CON Filing***" means the filings, application and process by and pursuant to which Certificate of Need authorization is requested from OHCA and any other Governmental Authority with respect to this Affiliation Agreement and the transactions contemplated hereunder.

"***Confidential Information***" has the meaning set forth in Section 11.12.

"***Consents and Approvals***" means the consent to or approval of the Affiliation by any Governmental Authorities and other third parties.

"***Contract(s)***" means all rights, benefits and interests of any Person in, to and under all contracts relating to the conduct of their respective businesses, including, without limitation, physician agreements, agreements with third party payors, joint venture or partnership agreements, supply purchase agreements, employment agreements, equipment leases, equipment maintenance agreements, agreements with municipalities and labor organizations, settlement agreements, loan agreements, bonds, mortgages, liens or other security agreements, but excluding the Leases.

"***Cost Reports***" means all cost and other reports related to any Person filed within the last three years pursuant to the requirements of the Government Payer programs for cost-based payments or reimbursement due to or claimed by such Person from the Government Reimbursement Programs or their fiscal intermediaries or payor agents, including all cost report receivables or payables and all related appeals and appeal rights and other forms or claims filed or submitted by such Person to the Government Payer programs or their fiscal intermediaries or payor agents for payment or reimbursement due to or claimed by such Person on a fee-for-service, prospective payment, fee schedule or other similar basis.

"***Covered Person***" means a current or former employee, officer, director or consultant of an L+M Affiliate.

"***Covered Transaction***" means any (i) acquisition or disposition by any L+M Affiliate of a material line of business or of the equity or assets of such L+M Affiliate to or with an entity that is not an L+M Affiliate as of the date of this Affiliation Agreement, in each case other than acquisitions of physician practices, which shall be governed by item (ii) below; (ii) acquisition of a physician practice by an L+M Affiliate that involves more than eight (8) employed physicians; (iii) contracting with an unrelated third party for the management of all or substantially all of the assets or operations of an L+M Affiliate; (iv) entering into a contract for the management of a clinical service line of any L+M Affiliate if (A) such L+M Affiliate does not contract with the manager of such clinical service line for the management of such clinical service line as of the Effective Date or (B) the non-cancellable term of such contract is more than three (3) years; or (v) any new relationships or agreements for graduate medical education or any material amendments to or terminations of existing agreements for graduate medical education programs.

"***DEEP***" means the Connecticut Department of Energy and Environmental Protection.

"***Disclosure Schedule***" means the disclosure schedule, dated as of the date hereof, that is attached hereto and incorporated in and made a part of this Affiliation Agreement, as updated by any Schedule Supplement.

"***DPH***" means the Connecticut Department of Public Health.

"***Due Diligence Information***" means the information disclosed by YNHHSC to L+M and the information disclosed by L+M to YNHHSC pursuant to due diligence request lists provided by each Party to the other Party prior to the date of this Affiliation Agreement.

"***Effective Date***" has the meaning set forth in the introductory paragraph.

"***Employee Benefit Plan***" means any "employee benefit plan" (as such term is defined in ERISA §3(3)) and any other employee benefit plan, program or arrangement.

"***Environmental Claim***" means with respect to any party, any claim, action, cause of action, investigation or notice (written or oral) by any Governmental Authority or third party alleging potential Liability (including, without limitation, potential Liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries or penalties) against such party arising out of, based on or resulting from (a) the presence, or release into the environment, of any Hazardous Substances at any location, owned, occupied or operated by such party at any time, or (b) any violation, or alleged violation, of any Environmental, Health or Safety Requirement by such party.

"***Environmental Condition***" means (i) the presence of, spills of, leaks of, emissions of, disposal of, discharge of, release of or threatened release to the environment, prior to the Closing Date, of Hazardous Substances on, in, under, originating from or emanating from the Owned Real Property or the Leased Real Property in violation of Environmental, Health, and Safety Requirements, including any migration of those Hazardous Substances through the air, soil or groundwater, and (ii) any claim, prior to the Closing Date, for injury to, destruction of, damage to or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss relating to the acts or omissions of the L+M Affiliates prior to or on the Closing Date.

"***Environmental, Health, and Safety Requirements***" means all applicable federal, state, local, and foreign statutes, laws, rules, regulations, codes, ordinances, standards, guidelines, authorizations and orders of any federal, state or local public agency or authority that deal with Solid Waste, toxic or hazardous waste, wastewater discharges, water quality, drinking water, air emissions, air quality, lead-based paint or employee health, safety or community right-to-know, or otherwise concerning public health and safety, worker health and safety, pollution, or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any Hazardous Substances (including Medical Hazards), as such requirements are enacted and in effect on or prior to the Closing Date, provided that Environmental Health and Safety Requirements shall not include Health Care Laws.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

"***ERISA Affiliate***" means a trade or business, whether or not incorporated, which is deemed to be in common control or affiliated with L+M within the meaning of Section 414(b)(c)(m) or (o) of the Code.

"***GAAP***" means generally accepted accounting principles in the United States.

"***Government Reimbursement Programs***" means the Medicare program, the Connecticut Medicaid program, the federal TRICARE program, and any other, similar or successor federal, state or local health care payment programs with or sponsored by Governmental Authorities, including without limitation, current federal and Connecticut disproportionate share "DSH" reimbursement or adjustments applicable to any Person, and federal reimbursement or adjustments for or related to any of the Parties graduate medical education programs.

"***Governmental Authority***" means any federal, state, local or any foreign governmental unit, agency, commission or authority.

"***Governmental Payer***" means any Governmental Authority that provides reimbursement for health care services, including but not limited to Medicare, Medicaid, CHAMPUS, TRICARE and other federal, state and local reimbursement and payment programs.

"***Guarantee***" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing or otherwise supporting in whole or in part the payment of any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, by agreements to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligations of the payment of such Indebtedness or to protect such obligee against loss in respect of such Indebtedness (in whole or in part). The term "Guarantee" used as a verb has a correlative meaning.

"***Hart-Scott-Rodino Act***" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"***Hazardous Substances***" means asbestos, radioactive substances, radon, PCBs, petroleum, Medical Hazards and any chemical, substance or material that is listed or regulated under Environmental, Health, and Safety Requirements as a hazardous or toxic substance, material, chemical substance, pollutant, waste, pesticide or fungicide or that under Environmental, Health, and Safety Requirements requires special handling or notification of any federal, state or local governmental agency or authority in its collection, storage, treatment, recycling or disposal.

"***Health Care Fraud and Abuse Laws***" has the meaning set forth in Section 3.9.1.

"***Health Care Laws***" means, collectively, any and all federal, state or local statutes, rules, regulations and administrative manuals, orders, guidelines and requirements of law of any Governmental Authority governing the licensure of or regulating healthcare providers, professionals, facilities or payors or otherwise governing or regulating the provision of, or payment for, healthcare services, the sale of controlled substances or other pharmaceuticals, medical devices or supplies and the like. Without limiting the generality of the foregoing, Health

Care Laws include, without limitation, state corporate practice of medicine laws, statutes and regulations, Section 1128B(b) of the Social Security Act, as amended, 42 U.S.C. Section 1320a 7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the "Federal Anti-Kickback Statute," Section 1877 of the Social Security Act, as amended, 42 U.S.C. Section 1395nn and related regulations (Prohibition Against Certain Referrals), commonly referred to as "Stark Law," the federal False Claims Act, 31 U.S.C. Section 3729 et seq., corresponding state laws and other state and federal fraud and abuse laws.

"***Health Information Laws***" has the meaning set forth in Section 3.24.1.

"***HIPAA Regulations***" has the meaning set forth in Section 3.24.1.

"***Hospital Members***" shall mean each acute care hospital that is a YNHHSC Obligated Group Member.

"***Indebtedness***" of any Person means either (a) any liability of such Person (i) for borrowed money (including the current portion thereof), (ii) under any reimbursement obligation relating to a letter of credit, bankers' acceptance or note purchase facility, (iii) evidenced by a bond, note, debenture or similar instrument (including a purchase money obligation), (iv) for the payment of money relating to any lease that is required to be classified as a capitalized lease obligation in accordance with GAAP, (v) for all or any part of the deferred purchase price of property or services (other than trade or accounts payables), including any "earnout" or similar payments or any noncompete payments, (vi) under interest rate swap, hedging or similar agreements or (vii) for any credit card payables with respect to charges having a transaction date of thirty (30) days or more prior to the Closing Date or related to non-business related activities; or (b) any liability of others described in the preceding clause (a) that such Person has Guaranteed, that is recourse to such Person or any of its assets or that is otherwise its legal liability or that is secured in whole or in part by the assets of such Person.

"***Initial Period***" means the period from the Closing Date to the fifth anniversary of the Closing Date.

"***Intellectual Property***" means all intellectual property rights of any kind, throughout the world, all rights of privacy and rights to personal information, all telephone numbers and Internet protocol addresses, all documentation and media constituting, describing or relating to the above, including memoranda, manuals, technical specifications and other records wherever created throughout the world, all rights in the foregoing and in other similar intangible assets, and all rights and remedies (including the right to sue for and recover damages, profits and any other remedy for past, present, or future infringement, misappropriation or other violation relating to any of the foregoing.

"***IRB***" has the meaning set forth in Section 3.30.

"***IRS List of Exempt Organizations***" has the meaning set forth in Section 3.10.7.

"***Joint Commission***" has the meaning set forth in Section 3.9.5(b).

"***Key Financial Metrics***" means the metrics set forth on Exhibit 2.11 as the targets associated with such metrics are revised and updated in a mutually agreed-upon manner at Closing based upon the development of mutually-agreed upon investment business plans, the five-year strategic plan referred to in Section 2.12 and the financial condition and results of operations of the L+M Affiliates as of the Closing Date.

"***Knowledge***" shall, with respect to the particular provision it qualifies, mean (a) with respect to an L+M Affiliate, the actual knowledge of the president and/or chief executive officer or the chief financial officer of L+M, including, with respect to each, what he or she knows or should know in the exercise of his or her duties in the course of employment with L+M or a L+M Affiliate or as the result of due inquiry of the president and/or chief executive officer and chief financial officer of each L+M Subsidiary, or (b) with respect to YNHHSC, the actual knowledge of the president and chief executive officer or the chief financial officer of YNHHSC, including, with respect to each, what he or she knows or should know in the exercise of his or her duties in the course of employment with YNHHSC or as the result of due inquiry of the president and/or chief executive officer and chief financial officer of each YNHHSC Subsidiary.

"***L+M***" has the meaning set forth in the introductory paragraph.

"***L+M 2014 Audited Financial Statements***" has the meaning set forth in Section 3.7.

"***L+M Activities***" means the business of each applicable L+M Affiliate, as the context may require.

"***L+M Affiliates***" means L+M and each L+M Subsidiary, including without limitation, LMH, LMW, LMMG, L+M Systems, Inc., VNA of Southeastern Connecticut, L+M HealthCare, Inc. and L&M Indemnity Company Ltd.

"***L+M Amended Bylaws***" has the meaning set forth in Section 2.1.1.

"***L+M Amended Certificate of Incorporation***" has the meaning set forth in Section 2.1.1.

"***L+M Bondholders***" means the holders of the L+M Tax-Exempt Bonds.

"***L+M Corporate Transaction***" has the meaning set forth in Section 5.1.11.

"***L+M Determination Letters***" has the meaning set forth in Section 3.10.7.

"***L+M Financial Statements***" has the meaning set forth in Section 3.7.

"***L+M Interim Financial Statements***" has the meaning set forth in Section 3.7.

"***L+M Leased Real Property***" has the meaning set forth in Section 3.5.2.

"***L+M Master Trust Indenture***" means that certain Master Trust Indenture, dated as of February 1, 1990, by and between the L+M Obligated Group and U.S Bank National Association, as successor master trustee, as amended and supplemented from time to time.

"***L+M Material Adverse Effect***" means any occurrence, condition, change, development, circumstance, effect, event or fact, occurring after the Effective Date (a "Matter"), that individually or in the aggregate, would be reasonably expected to have a monetary effect on L+M and the L+M Affiliates taken as a whole that would exceed the L+M Materiality Threshold, or such an effect that prevents L+M or any L+M Affiliate from performing its material obligations under, or from consummating the transactions contemplated by, this Affiliation Agreement. Notwithstanding anything herein to the contrary, "L+M Material Adverse Effect" shall be deemed not to include, and a L+M Material Adverse Effect shall not be deemed to have resulted from or arisen out of: (i) any reduction in the rates of reimbursement or payment received by L+M or any L+M Affiliate under any Government Reimbursement Program that affects similarly situated providers similarly, (ii) any Matter specifically disclosed on the Disclosure Schedules at the Effective Date; (iii) [reserved]; (iv) the public announcement of this Affiliation Agreement, compliance with terms of this Affiliation Agreement or the consummation of the Affiliation; (v) any Matter, to the extent affecting (A) global or national or regional economic, business, regulatory, market or political conditions or national financial markets, (B) the healthcare industry generally or such industry in Connecticut or Rhode Island, or (C) the hospital business generally or in Connecticut or Rhode Island; (vi) any changes or any proposed changes in law or governmental programs after the Effective Date that are not directed at L+M or YNHHSC, in each instance to the exclusion of others; (vii) [reserved]; (viii) any increase in competitive activity by other health care providers in L+M's service area; (ix) [reserved]; or (x) any action taken by L+M at the direction of, or with the prior written consent of, YNHHSC.

"***L+M Materiality Threshold***" means a dollar amount equal to $50,000,000 (Fifty Million Dollars).

"***L+M Obligated Group***" means the obligated group consisting of L+M and LMH.

"***L+M Permits***" has the meaning set forth in Section 3.9.5.1.

"***L+M Plans***" has the meaning set forth in Section 3.17.1.

"***L+M Provider Subsidiaries***" means the L+M Subsidiaries that are licensed providers of clinical services (individually or collectively as the context shall require).

"***L+M Real Property***" means the Owned Real Property and the L+M Leased Real Property.

"***L+M Real Property Leases***" has the meaning set forth in Section 3.5.2.

"***L+M Subsidiaries Amended Bylaws***" has the meaning set forth in Section 2.1.5.

"***L+M Subsidiaries Amended Certificates of Incorporation***" has the meaning set forth in Section 2.1.5.

"***L+M Tax-Exempt Bonds***" means the State of Connecticut Health and Educational Facilities Authority Revenue Bonds Lawrence + Memorial Issue, Series F, Series G and Series H.

"***L+M Subsidiary***" means each Subsidiary of L+M and each direct or indirect Subsidiary of any such Subsidiary.

"***Leases***" means all rights, benefits and interests of L+M or any L+M Affiliate, as the case may be, as the lessor, lessee or sublessee, as the case may be, in, to or under any lease or sublease relating to real property.

"***Liability***" or "***Liabilities***" means debts, obligations, contracts or other liabilities of any kind, character or description, accrued, absolute, contingent, determined, determinable or otherwise, whether presently in existence or arising hereafter.

"***Lien***" **or** "***Encumbrance***" means any lien, pledge, claim, liability, interest, restriction or other encumbrance.

"***Litigation or Proceedings***" has the meaning set forth in Section 3.15.1.

"***LMH***" means Lawrence + Memorial Hospital, Inc., a Connecticut non-stock corporation.

"***LMH Amended Bylaws***" has the meaning set forth in Section 2.1.5(a).

"***LMH Amended Certificate of Incorporation***" has the meaning set forth in Section 2.1.5(a).

"***LMH Medical Staff Bylaws***" has the meaning set forth in Section 2.6.

"***LMI***" means L&M Indemnity Company Ltd., a Cayman Island company limited by shares.

"***LMI Insurance Regulatory Agency***" means Cayman Islands Monetary Authority.

"***LMMG***" means L+M Physician Association Inc., a Connecticut non-stock medical foundation doing business as L+M Medical Group.

"***LMMG-NEMG Agreement and Plan of Merger***" has the meaning set forth in Section 2.1.4.

"***LMW***" means LMW Healthcare, Inc., a Rhode Island nonprofit corporation doing business as Westerly Hospital.

"***LMW Acquisition Related Obligations***" means those specific obligations undertaken by Lawrence + Memorial Corporation, LMW Healthcare, Inc. and LMW Physicians, Inc., a Rhode Island nonprofit corporation ("***LMW Physicians***") that expressly relate to the management and operation of The Westerly Hospital and Related Entities, as such term is defined in those provisions of the following documents under which LMW has ongoing obligations:

i. As set forth in that certain Asset Purchase Agreement, as amended, made as of June 20, 2012, by and among W. Mark Russo, Esq., solely in his capacity as the court-appointed

Special Master (the "***Special Master***") for Westerly Hospital Healthcare, Inc., The Westerly Hospital, Atlantic Medical Group, Inc., Ocean Myst, MSO, LLC, Women's Health of Westerly, LLC, and North Stonington Health Center, Inc. and LMW Healthcare, Inc., a Rhode Island nonprofit corporation, and LMW Physicians, Inc., a Rhode Island nonprofit corporation (the "***Westerly Agreement***").

ii. As set forth in the Order Approving the Sale of Assets of The Westerly Hospital and The Related Entities Free and Clear of Liens and Liabilities in the case of *Charles S. Kinney, Chief Executive and Trustee v. Westerly Hospital Healthcare, Inc., The Westerly Hospital, Atlantic Medical Group, Inc., Ocean Myst, MSO LLC, Women's Health of Westerly, LLC and North Stonington Health Center, Inc.*, C.A. No, 2011-0781, dated as of September 10, 2012.

iii. As set forth in the Decision of the State of Rhode Island Department of Attorney General, dated as of April 17, 2013, *In Re: Expedited Review Hospital Conversion Initial Application of Westerly Hospital Healthcare, Inc., The Westerly Hospital, LMW Healthcare Inc., LMW Physicians, Inc., and Lawrence + Memorial Corporation.*

iv. As set forth in the Report of the Committee of the Health Services Council on the application of Lawrence & Memorial Corporation for change in effective control of The Westerly Hospital, dated as of April 9, 2013.

v. As set forth in the Amended Decision with Conditions regarding the Affiliation of Westerly Hospital Health Care Inc., The Westerly Hospital and Lawrence + Memorial Corporation, LMW Healthcare, Inc., and LMW Physicians, Inc. Under the Hospital Conversion Act of Rhode Island by the Rhode Island Department of Health, dated as of April 16, 2013.

vi. As set forth in the Consent Order Regarding Post-Closing Items in the case of *Charles S. Kinney, Chief Executive and Trustee v. Westerly Hospital Healthcare, Inc., The Westerly Hospital, Atlantic Medical Group, Inc., Ocean Myst, MSO LLC, Women's Health of Westerly, LLC and North Stonington Health Center, Inc.*, C.A. No, 2011-0781, dated as of May 23, 2014.

"***LMW Amended Bylaws***" has the meaning set forth in Section 2.1.5(b).

"***LMW Amended Certificate of Incorporation***" has the meaning set forth in Section 2.1.5(b).

"***LMW Medical Staff Bylaws***" has the meaning set forth in Section 2.6.

"***LMW Physicians***" has the meaning set forth in the definition of LMW Acquisition-Related Obligations.

"***Material Adverse Effect***" means an L+M Material Adverse Effect or a YNHHSC Material Adverse Effect, as the context shall require.

"***Material Contracts***" means, any Contract of a Party or a direct or indirect Subsidiary of a Party that is a:

a) Contract under which debt for borrowed money has been or can be incurred in excess of $500,000 (other than contracts described in the L+M 2014 Audited Financial Statements or the YNHHSC 2014 Audited Financial Statements, as applicable, true, correct and complete copies of which have been delivered by the applicable Party to the other Party);

b) Capital lease for real property or equipment under which the annual obligations payable by the lessee exceed (i) $500,000 in the case of L+M or any L+M Subsidiary or (ii) $3,500,000 in the case of YNHHSC or any YNHHSC Subsidiary;

c) Contract with a third party payor under which during the last full fiscal year of such Party payments were made by the third party payor in excess of (i) $2,000,000 in the case of L+M or any L+M Subsidiary or (ii) $14,000,000 in the case of YNHHSC or any YNHHSC Subsidiary;

d) Academic or clinical affiliation agreement (other than agreements with Yale University) for medical education for residents, fellows, medical students and/or physician's assistants at the undergraduate or graduate level;

e) Grant agreement under which during the last full fiscal year of such Party such Party or such Subsidiary of a Party received payments in excess of (i) $1,000,000 in the case of L+M or any L+M Subsidiary or (ii) $7,000,000 in the case of YNHHSC or any YNHHSC Subsidiary;

f) Contract under which such Party or such Subsidiary guarantees the performance or payment obligations of a third party (i.e. a Person other than such Party or a Subsidiary thereof);

g) Contract that limits the freedom of such Party or such Subsidiary to conduct business;

h) Contract (other than a contract for the purchase of supplies, equipment, or software) under which the value of the obligations of such Party and its Subsidiaries, taken as a whole, exceeds (i) $2,000,000 annually in the case of L+M or any L+M Subsidiary or (ii) $14,000,000 annually in the case of YNHHSC or any YNHHSC Subsidiary; or

i) Any primary or excess professional or general liability insurance policy.

"***Medical Hazards***" means all biological and chemical materials that under applicable Environmental, Health, and Safety Requirements or industry standards are required to be handled in accordance with certain procedures, and all other materials that may contain or be contaminated with such biological or chemical materials, and all devices or materials that could puncture or cut the skin (including, without limitation, those commonly known as "sharps").

"***NEMG***" means Northeast Medical Group Inc., a Connecticut nonstock corporation of which YNHHSC is the sole member.

"***OHCA***" means the Office of Health Care Access of the State of Connecticut.

"***OHRP***" has the meaning set forth in Section 3.30.

"***Owned Real Property***" means any real property in which any L+M Affiliate owns a fee interest.

"***Party***" and "***Parties***" have the meanings set forth in the introductory paragraph.

"***Payer Programs***" means collectively, Third Party Payers and Governmental Payers.

"***Permits***" means any licenses, approvals, permits, orders, registrations, certificates, variances, and similar rights obtained from any Governmental Authority.

"***Permitted Encumbrances***" means (a) Liens or Encumbrances created by YNHHSC, (b) Liens or Encumbrances for Taxes, assessments or other similar governmental charges which are not due and payable as of the Closing Date, (c) as to real property, Liens, Encumbrances, covenants, restrictions, utility easements and agreements of record, and encroachments that do not render title unmarketable or materially and adversely affect the applicable owner's ability to use such Real Property for its current use, (d) Liens and Encumbrances set forth on Schedule 3.5.1 hereof, (e) Liens and Encumbrances which shall be satisfied in full and discharged of record by L+M on or prior to the Closing, (f) the Leases and Contracts that exist as of the date hereof and such Leases and Contracts that are entered into, modified or renewed after the date hereof not in violation of this Affiliation Agreement; (g) all violations of building, fire, sanitary, environmental, housing and such other laws, regulations and ordinances; (h) all matters of record superior to the Leases pursuant to which an L+M Affiliate is a tenant; and (i) all laws, regulations and ordinances including, without limitation, all environmental, building and zoning restrictions affecting the Owned Real Property or the ownership, use or operation thereof adopted by any governmental authority having jurisdiction over the Owned Real Property or the ownership, use or operation thereof, and all amendments or additions thereto now in effect or which may be in force or effect on the Closing Date.

"***Person***" means any individual, sole proprietorship, partnership, corporation, limited liability company, limited partnership, joint venture, unincorporated society or association, trust, estate or other entity or organization, or any division of such Person.

"***Personal Property***" means tangible personal property (including, without limitation, equipment, fixtures, vehicles, furniture, tools, furnishings, machinery, instruments, spare parts, supplies, pharmacueticals and inventory).

"***Physician***" means any licensed doctor of medicine or osteopathy, doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry or chiropractor, or any group, partnership, corporation, of whatever form, made up of one more such persons.

"***Principal Properties***" shall have the meaning assigned to that term in Section 3.5.

"***Protected Health Information***" shall have the meaning assigned to that term in Section 103 of 45 C.F.R. Part 160.

"Rating Agencies" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc., Fitch Inc., their successor and assigns, and such other nationally recognized securities rating agency as shall have awarded a rating to the Obligations (as defined in the YNHHSC Master Trust Indenture).

"***Reimbursement Claims***" has the meaning set forth in Section 3.28.

"***Remediation***" means any or all of the following activities to the extent they relate to or arise from the presence of Hazardous Substances or any Environmental Condition: (1) the monitoring, investigation, assessment, treatment, cleanup, containment, removal, mitigation, response or restoration work; (2) obtaining any Permits, consents, approvals or authorizations of any Governmental Authority necessary to conduct any such activity; (3) preparing and implementing any plans or studies for any such activity; (4) obtaining a written notice from a Governmental Authority with jurisdiction over the Hazardous Substances or Environmental Condition under the Environmental, Health, and Safety Requirements that no additional work is required by such Governmental Authority; and (5) any other activities reasonably determined by a Person to be necessary or appropriate or required under the Environmental, Health, and Safety Requirements to address the presence of Hazardous Substances or the Environmental Condition.

"RIDOH" means the Department of Health, Office of Health Systems Development, of the State of Rhode Island.

"***Safe Harbor Management Contract***" means a contract or arrangement that satisfies the "safe harbors" set forth in IRS Rev. Proc. 97-13, as amended or supplemented.

"***Schedule Supplement***" has the meaning set forth in Section 5.3.

"***Secretary of State***" means the Secretary of the State of the State of Connecticut or Rhode Island, as the context may require.

"***Solid Waste***" means any substance deemed under any applicable federal or state law or regulations as waste.

"***Solvent***" or "***Solvency***" means, with respect to either Party: (a) the fair value of entity's assets exceeds the fair value of the entity's liabilities, including contingent liabilities; (b) neither Party has, and is not incurring debts or liabilities beyond its respective ability to pay as such debts and liabilities mature; (c) each Party is generally able to pay its debts as they become due and payable and are, in fact, paying such debts as they become due and payable; and (d) neither Party is engaged in a business or transaction, and is not about to engage in a business or transaction, for which either Party's property would constitute unreasonably small capital to carry on its businesses as it is then conducted. The amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can reasonably be expected to become an actual or matured liability. If at any time in the future a Party projects that it will be in non-payment default with respect to debt for borrowed money, it shall be assumed that such non-payment default will not result in the acceleration of such debt.

"***Special Master***" has the meaning set forth in the definition of LMW Acquisition-Related Obligations.

"***Subsidiary***" means at the time of reference thereto (i) any corporation with respect to which a specified Person owns a majority of the common stock or membership rights or has the power to vote or direct the voting of sufficient securities or membership rights to elect a majority of the directors (or Persons performing similar functions), (ii) any corporation with respect to which a specified Person is a member and has the right to exercise reserved power or authorities, (iii) any corporation a majority of the governing board of which is made up of persons who are also members of the governing board of the specified Person and (iv) any entity of which a specified Person is a 50% or more beneficial owner.

"***Tax***" or "***Taxes***" means all taxes, fees, levies or other assessments imposed by the United States or any state, country, local or foreign government or subdivision or agency thereof, including, without limitation, income, gross receipts, excise, real and personal property, premiums, municipal, capital, value-added, goods and services, consumption, sales, transfer, license, payroll and franchise taxes, and such term shall include any interest, penalties or additions to tax attributable to such taxes, fees, levies or other assessments.

"***Tax-Exempt Organization***" means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code.

"***Tax Returns***" means any report, return or other information required to be supplied to any federal, state or local taxing authority in connection with Taxes.

"***Third Party Expenses***" has the meaning set forth in Section 10.3.

"***Third Party Payer***" means any commercial or non-profit entity that provides reimbursement for health care services, including but not limited to, health maintenance organizations, preferred provider organizations, accountable care organizations, health benefit plans, insurers, health insurance plans, third party administrators, workers' compensation, auto insurance and other third party reimbursement and payment programs.

"***Transfer Act***" means the Transfer Act of the State of Connecticut, Conn. Gen. Stat. §§22a-134 *et seq.*

"VNA of Southeastern Connecticut" means Visiting Nurse Association of Southeastern Connecticut Inc., a Connecticut non-stock corporation.

"***VNA of Southeastern Connecticut Amended Bylaws***" has the meaning set forth in Section 2.1.5(c).

"***VNA of Southeastern Connecticut Amended Certificate of Incorporation***" has the meaning set forth in Section 2.1.5(c).

"***Westerly Agreement***" has the meaning set forth in the definition of LMW Acquisition-Related Obligations.

"***Yale New Haven Health System***" means the health system comprised of YNHHSC and the YNHHSC Subsidiaries.

"***YNHHSC***" has the meaning set forth in the introductory paragraph.

"***YNHHSC 2014 Bond Disclosure Documents***" means (i) the official statement, dated May 29, 2014, of the State of Connecticut Health and Education Facilities Authority with respect to the YNHHSC Tax-Exempt Bonds, (ii) the private placement memorandum, dated May 29, 2014, of YNHHSC with respect to its Taxable Bonds, Series 2014, and (iii) the continuing disclosure notifications filed on behalf of YNHHSC pursuant to the Electronic Municipal Market Access system administered by the Municipal Securities Rulemaking Board.

"***YNHHSC 2014 Audited Financial Statements***" has the meaning set forth in Section 4.7.

"***YNHHSC Activities***" means the business activities of each of the YNHHSC Affiliates, as the context may require.

"***YNHHSC Affiliates***" means YNHHSC and all of its Subsidiaries.

"***YNHHSC Amended Bylaws***" has the meaning set forth in Section 2.1.3.

"***YNHHSC Amended Certificate of Incorporation***" has the meaning set forth in Section 2.1.3.

"***YNHHSC Change of Control***" means any transaction as a result of which (i) any entity other than Yale University and the Hospital Members has the right to appoint a majority of the board of trustees of YNHHSC or (ii) any entity or entities other than Yale University or one or more YNHHSC Affiliates becomes a corporate member of YNHHSC.

"***YNHHSC Determination Letters***" has the meaning set forth in Section 4.10.7.

"***YNHHSC Financial Statements***" has the meaning set forth in Section 4.7.

"***YNHHS Interim Financial Statements***" has the meaning set forth in Section 4.7.

"***YNHHSC Leased Real Property***" has the meaning set forth in Section 4.5.3.

"YNHHSC Master Trust Indenture" means that certain Master Trust Indenture (Security Agreement), dated as of February 1, 2013 and effective on June 23, 2014 among the YNHHSC Obligated Group and U.S. Bank National Association, as Master Trustee, as it may be supplemented from time to time.

"***YNHHSC Material Adverse Effect***" means any occurrence, condition, change, development, circumstance, effect, event or fact, occurring after the Effective Date (a "***Matter***"), that individually or in the aggregate, would be reasonably expected to have a monetary effect on YNHHSC and the YNHHSC Obligated Group members, taken as a whole, that would exceed the YNHHSC Materiality Threshold, or such an effect that prevents YNHHSC or on the YNHHSC

Obligated Group from performing its material obligations under, or from consummating the transactions contemplated by, this Affiliation Agreement. Notwithstanding anything herein to the contrary, "YNHHSC Material Adverse Effect" shall be deemed not to include, and a YNHHSC Material Adverse Effect shall not be deemed to have resulted from or arisen out of (i) any reduction in the rates of reimbursement or payment received by YNHHSC or any YNHHSC Obligated Group Member under any Government Reimbursement Program that affects similarly situated providers similarly; (ii) any Matter specifically disclosed on the Disclosure Schedules at the Effective Date; (iii) [reserved]; (iv) the public announcement of this Affiliation Agreement, compliance with terms of this Affiliation Agreement or the consummation of the Affiliation; (v) any Matter, to the extent affecting (A) global or national or regional economic, business, regulatory, market or political conditions or national financial markets, (B) the healthcare industry generally or such industry in Connecticut, or (C) the hospital business generally or in Connecticut; (vi) any changes or any proposed changes in law after the Effective Date that are not directed at L+M or YNHHSC, in each instance to the exclusion of others; (vii) [reserved]; or (viii) [reserved].

"***YNHHSC Materiality Threshold***" means a dollar amount equal to $350,000,000 (Three Hundred Fifty Million Dollars).

"***YNHHSC Obligated Group***" means the members, as of a given date, of the Obligated Group (as such term is defined in the YNHHSC Master Trust Indenture) pursuant to the YNHHSC Master Trust Indenture.

"***YNHHSC Obligated Group Agreement***" means the obligated group agreement, dated as of June 23, 2014 by and among YNHHSC and the other members of the YNHHSC Obligated Group.

"***YNHHSC Obligated Group Bonds***" means the YNHHSC Tax-Exempt Bonds and the Yale New Haven Health Taxable Bonds Series 2014.

"***YNHHSC Obligated Group Member***" means each member, as of the date of reference thereto, of the YNHHSC Obligated Group.

"***YNHHSC Obligated Group Policies***" has the meaning ascribed to the term "OGA Policies" in the YNHHSC Obligated Group Agreement.

"***YNHHSC Owned Real Property***" has the meaning set forth in Section 4.5.2.

"***YNHHSC Permits***" has the meaning set forth in Section 4.9.5(a).

"***YNHHSC Plans***" has the meaning set forth in Section 4.15.

"***YNHHSC Real Property***" has the meaning set forth in Section 4.5.3.

"***YNHH Real Property Leases***" has the meaning set forth in Section 4.5.3.

"***YNHHSC Subsidiary***" means each Subsidiary of YNHHSC and each direct or indirect Subsidiary of any such Subsidiary.

"***YNHHSC Tax Exempt Bonds***" means the State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Yale New Haven Health Issue, Series A, Series B, Series C, Series D and Series E.

"***YSM Affiliation Agreement***" means the Affiliation Agreement, dated as of June 25, 1999, by and between Yale University and YNHHSC, as the same may be amended from time to time.

L+M SCHEDULES
TO THE
AFFILIATION AGREEMENT

by and between

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AND

LAWRENCE + MEMORIAL CORPORATION

July 17, 2015

Introduction

Reference is made to the Affiliation Agreement (the "Affiliation Agreement"), entered into as of July 17, 2015, by and between Yale-New Haven Health Services Corporation ("***YNHHSC***") and Lawrence + Memorial Corporation ("***L+M***"). This document constitutes the Disclosure Schedule of L+M pursuant to the Affiliation Agreement. Each of YNHHSC and L+M is referred to herein as a "Party" and collectively as the "Parties." All capitalized terms used, but not defined, herein shall have the meaning ascribed to such term in the Affiliation Agreement.

Section and sub-section numbers and letters used herein correspond to the section and sub-section numbers and letters in the Affiliation Agreement, unless otherwise noted, and any information disclosed in any section or sub-section herein shall be deemed to be disclosed to YNHHSC for all purposes of the Affiliation Agreement so long as such disclosure's relevance to the applicable section(s) of the Affiliation Agreement is reasonably apparent on its face. The captions of each Schedule are included for convenience only and are not intended to limit the scope of such part, paragraph or section of the Disclosure Schedule as set forth in the Affiliation Agreement.

No disclosure made herein constitutes an admission of any liability or obligation of any L+M Affiliate, an admission against any interest of any L+M Affiliate or a concession as to any defense available to any L+M Affiliate. Unless the Affiliation Agreement specifically provides otherwise, the disclosure of a specific item herein shall not be deemed to constitute an admission that such item is not in the ordinary course of business. To the extent that any representation or warranty contained in the Affiliation Agreement is limited or qualified by the materiality of the matters to which the representation or warranty is given, the inclusion of any matter in this Disclosure Schedule does not constitute an admission that such matters are material or will have a L+M Material Adverse Effect. Certain information set forth herein is included solely for informational purposes and may not be required to be disclosed pursuant to the Affiliation Agreement.

If there is any inconsistency between any provision or statement in the Affiliation Agreement and any provision or statement in the Disclosure Schedule (other than an exception in any section or subsection to a specific representation or warranty), then the provision or statement in the Affiliation Agreement shall control.

Schedule 3.1.1

L+M Subsidiaries

Direct Subsidiaries of Lawrence + Memorial Corporation:

- Lawrence + Memorial Hospital, Inc.*
- LMW Healthcare, Inc.*
- L&M Physician Association, Inc.*
- L & M Systems, Inc.
- Visiting Nurse Association of Southeastern Connecticut Inc.*
- [L & M Health Care, Inc.]
- L+M Indemnity Company Ltd.
- [Lawrence and Memorial Foundation, Inc.]*
- [Southeastern Connecticut Health Partners, Inc.]
- [LMW Physicians, Inc.]

Direct Subsidiaries of Lawrence + Memorial Hospital, Inc.:

- Associated Specialists of Southeastern Connecticut, Inc.*
- [Southeastern Connecticut Imaging Center, LLC]

Direct Subsidiaries of LMW Healthcare, Inc.:

- The Westerly Hospital Foundation, Inc.*
- Westerly Hospital Energy Company, LLC
- The Westerly Hospital Auxiliary, Inc.*

Direct Subsidiaries of L & M Systems, Inc.:

- L&M Home Care Services, Inc.
- L & M Home Medical Equipment, LLC

Other Entities in which any L+M Affiliate has an interest:

- DVA Healthcare of New London, LLC
- Connecticut Hospital Laboratory Network, LLC
- Value Care Alliance, LLC
- Northeast Purchasing Coalition, LLC

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* Tax-Exempt Organization

[ ] Inactive Entity

___ L+M Determination Letter has been received

Schedule 3.5.1

Owned Real Property

List of Owned Real Property:

Owner	Street	City/Town	State
LMH	365 Montauk Ave	New London	CT
LMH	436-441 Ocean Ave	New London	CT
LMH	48R Minor Lane	Waterford	CT
LMH	900 Bank Street	New London	CT
LMH	230 Waterford Parkway South	Waterford	CT
LMH	194 Howard Street	New London	CT
LMH (the "Pequot Property")*	52 Hazelnut Hill Road	Groton	CT
LMH	412 Ocean Ave	New London	CT
LMH 7/8 interest; Bank of America 1/8 interest (in trust on behalf of Elizabeth Stamm Estate) (the "Beach Property")^	Pequot Ave	New London	CT
LMW	1 Rhody Drive	Westerly	RI
LMW	65 Wells Street	Westerly	RI
LMW	11 Wells Street Unit 6	Westerly	RI
LMW	45 East Avenue	Westerly	RI
LMW	3 Rhody Drive	Westerly	RI
LMW	26 Wells Street	Westerly	RI
LMW	45 Wells Street, Unit 101	Westerly	RI
LMW	45 Wells Street, Unit 201	Westerly	RI
LMW	25 Wells Street	Westerly	RI
LMW	81 Beach Street	Westerly	RI
Visiting Nurse Association of Southeastern Connecticut Inc.	403 N Frontage Rd	Waterford	CT
LMH	One Huntley Road	Old Lyme	CT
L+M	230 Waterford Parkway South (land)	Waterford	CT
LMH	230 Waterford Parkway South (building)	Waterford	CT

*The fee interest in the land on which the Pequot Property is situated is not owned by an L+M Affiliate, but is leased by LMH from the City of Groton, CT, pursuant to a Ground Lease, dated May 1, 1991.

^LMH owns a 7/8 interest in the Beach Property (a beach located in New London, CT for the use of L+M employees and their families). The remaining 1/8 interest in the Beach Property is held by Bank of America, in trust, on behalf of the Elizabeth Stamm Estate.

Encumbrances or Liens on Principal Properties:

230 Waterford Parkway, Waterford Connecticut (Cancer Center)

1. Assessment & Connecticut Fee Lien in favor of the Town of Waterford in the amount of $84,636.12 recorded in Volume 1315 at Page 352 of the Waterford Land Records.

2. Waiver and relinquishment of rights of access as set forth in a deed dated November 13, 1947 and recorded in Volume 61 at Page 458 of the Waterford Land Records.

3. Easement in favor of the American Telephone and Telegraph Company dated October 10, 1942 and recorded in Volume 65 at Page 481 of the Waterford Land Records.

4. Rights in favor of the State of Connecticut as set forth in a Certificate of Taking dated November 21, 1961 and recorded in Volume 138 at Page 206 of the Waterford Land Records.

5. Rights of way as set forth in a deed dated July 22, 1974 and recorded in Volume 211 at Page 662 and in a deed dated June 11, 1978 and recorded in Volume 224 at Page 394, both of the Waterford Land Records.

6. Easement in favor of the Southern New England Telephone Company dated October 9, 1974 and recorded in Volume 213 at Page 179 of the Waterford Land Records.

7. Rights, agreements, reservations and conditions as set forth in a deed dated March 30, 1983 and recorded in Volume 270 at Page 889 of the Waterford Land Records.

8. Easements and rights in favor of the State of Connecticut as set forth in an Easement dated November 27, 2001 and recorded in Volume 540 at Page 47 of the Waterford Land Records.

9. Easements, notations, zone lines, rights of way, notes, facts and conditions as shown on Maps Nos. 1893 and 1894, both on file in the Office of the Waterford Town Clerk.

10. Riparian rights of others in and to any watercourse on, flowing through and/or abutting the subject premises.

11. Water Line Easement in favor of the Town of Waterford dated May 24, 2012 and recorded in Volume 1247 at Page 129 of the Waterford Land Records.

12. Electric Distribution Easement in favor of The Connecticut Light and Power Company dated September 11, 2012 and recorded in Volume 1270 at Page 155 of the Waterford Land Records.

365 Montauk Avenue, New London, Connecticut (Main Campus)

1. Covenants and Restrictions affecting lots shown on map "Plan of Building Lots, New London, Conn., F.B. Brandegee and T.M. Waller, 1895, Scale: 40 feet to the inch, surveyed and drawn by Daboll and Crandall" which map is on file in the New London Town Clerk's Office in Map Volume 1 Map 73, reference is made to Warranty Deed from Frank B. Brandegee to The Joseph Lawrence Free Public Hospital dated November 19, 1918 and recorded in Volume 135 at Page 170 of the New London Land Records.

2. Restrictions and conditions set forth in a Deed of T.M. Waller and F. B. Brandegee to Mary E. Esler dated October 18, 1911 and recorded in Volume 118 at Page 159 of the New London Land Records.

3. Covenants, reservations and restrictions set forth in a Warranty Deed from Frank B. Brandegee to Thomas G. Haney dated September 26, 1917 and recorded in Volume 131 at page 229 of the New London Land Records.

4. Restrictions or reservations referred to in the Deed of Georgie A. Fields to C. Graham Chapin dated June 23, 1926 and recorded in Volume 163 at Page 158 of the New London Land Records.

5. Reservations as contained in Quit Claim Deed from the United States of America to The Lawrence and Memorial Associated Hospitals dated January 22, 1952 and recorded in Volume 254 at Page 418 of the New London Land Records.

6. Agreement by and between Lawrence and Memorial Hospitals, The Joseph Lawrence Free Public Hospital, The Manwaring Memorial Hospital and the State of Connecticut Health & Educational Facilities Authority dated July 21, 1969 and recorded in Volume 336 at Page 96 of the New London Land Records.

7. Lease by and among the State of Connecticut Health and Educational Facilities Authority and Lawrence and Memorial Hospitals, The Joseph Lawrence Free Public Hospital and The Manwaring Memorial Hospital dated July 21, 1969 and recorded in Volume 336 at Page 107 of the New London Land Records.

8. Easement from Lawrence and Memorial Hospitals to the State of Connecticut dated June 25, 1979 and recorded in Volume 468 at Page 270 of the New London Land Records.

9. Variance to L&IV1 Hospitals granted by- The City of New London Zoning Board of Appeals dated November 17, 1983 and recorded in Volume 560 at Page 162 of the New London Land Records.

10. Conditions of Special Permit to L& M Hospitals granted by The City of New London Zoning Commission dated November 17, 1983 and recorded in Volume 560 at Page 164 of the New London Land Records.

11. Special Permit to Lawrence and Memorial Hospitals granted by The City of New London Zoning Commission dated December 1, 1986 and recorded in Volume 625 at Page 9 of the New London Land Records.

12. Variance to Lawrence & Memorial Hospital granted by The City of New London Zoning Board of Appeals dated August 25, 1988 and recorded in Volume 714 at Page 237 of the New London Land Records.

13. Special Permit to Lawrence & Memorial Hospital granted by The City of New London Zoning Board of Appeals dated February 10, 1989 and recorded in Volume 735 at Page 306 of the New London Land Records.

14. Certificate of Acceptance of Merger by the State of Connecticut dated July 11, 1957 and recorded April 5, 1989 in Volume 740 at Page 340 of the New London Land Records.

15. Variance to Lawrence & Memorial Hospital granted by City of New London Zoning Board of Appeal dated June 13, 1989 and recorded in Volume 750 at Page 14 of the New London Land Records.

16. Terms and conditions in a Lease and Right of First Refusal from Lawrence & Memorial Hospital, Inc., to 345 Montauk Avenue, LLC dated June 27, 1997 and recorded in Volume 1011 at Page 155 of the New London Land Records

17. Notice of Agreement between Lawrence & Memorial Hospital (Owner) and Message Center Management, Inc., (Manager) dated September 15, 1999 and recorded in Volume 1148 at Page 232 of the New London Land Records, Amended by Amendment to Notice of Agreement dated February 14, 2003 and March 21, 2003 and recorded July 23, 2003 in Volume 1366 at Page 36 of the New London Land Records.

18. Conditions of Notice of Grant of Special Use Permit to Lawrence & Memorial Hospital by the City of New London Planning & Zoning Commission dated September 8, 2003 and recorded in Volume 1381 at Page 291 of the New London Land Records.

19. Conditions of Notice of Grant of Special Use Permit to Lawrence and Memorial Hospital by the City of New London Zoning Board of Appeals dated November 3, 2009 and recorded in Volume 1857 at Page 61 of the New London Land Records.

20. Memorandum of License Agreement by and between Lawrence and Memorial Hospital (Licensor) and Message Center Management, Inc. (Managing Agent) and MetroPCS Massachusetts (Licensee) dated September 29, 2010 and recorded in Volume 1910 at Page 4 of the New London Land Records.

25 Wells Street, Westerly Rhode Island (Westerly Hospital)

1. Easement from The Westerly Hospital to The Narragansett Electric Company recorded in Book 525 at Page 15 in the Westerly Land Evidence Records.

2. Rights and easements as set forth in that Warranty Deed recorded in Book 656 at Page 52; as amended in Book 697 at Page 69 in the Westerly Land Evidence Records.

3. Lease by and between The Westerly Hospital, as Lessor, and Metro Mobile CTS of Providence, Inc., as Lessee, dated March 16, 1995 and evidenced and affected by Assignment of Lease by and between Metro Mobile CTS of Providence, Inc., as Assignor, and SNET Cellular, Inc., as Assignee recorded in Book 562 at Page 161 in the Westerly Land Evidence Records.

4. Rights and easements as set forth in that Warranty Deed recorded in Book 625 at Page 102 in the Westerly Land Evidence Records.

5. Memorandum of Agreement by and between The Westerly Hospital and CoxCom, Inc. d/b/a Cox Communications New England recorded in Book 871 at Page 269 in the Westerly Land Evidence Records.

6. Grant of Easement from The Westerly Hospital to The Narragansett Electric Company recorded in Book 916 at Page 122 in the Westerly Land Evidence Records.

7. Lease by and between The Westerly Hospital, as Lessor, and Celico Partnership d/b/a Verizon Wireless, as Lessee dated July 22, 2002 and evidenced by Memorandum of Lease recorded in Book 1043 at Page 99 in the Westerly Land Evidence Records.

8. Memorandum of Agreement by and between Westerly Hospital (Owner) and Cox TMI Wireless, LLC (Tenant) recorded in Book 1836 at Page 159.

9. A title company may require the recording of a certified copy of the Order Granting the Special Master's Petition to Sell Real Estate Free and Clear of Liens in connection with the issuance of a title policy.

Schedule 3.5.2

L+M Leased Real Property

(1) Lease Agreement, dated as of May 1, 2015, by and between LMH and LMMG for certain medical office space located in the building at 194 Howard Street, New London, Connecticut and for the use of certain parking areas located at 194 Howard Street and 210 Howard Street, New London, Connecticut.

(2) (a) Lease Agreement (the "Radiology Lease"), dated as of July 20, 2004, between Waterford Real Estate Holdings, LLC ("Waterford Real Estate") and Ocean Radiology Associates, P.C. ("Ocean Radiology") for medical office space located at 196 Waterford Parkway South, Waterford, Connecticut (subsequently assigned to LMH pursuant to that certain Assignment, Consent and Termination Agreement, dated as of February 26, 2010, by and among Ocean Radiology, LMH, Southeastern Connecticut Imaging Center, LLC and Waterford Real Estate), as amended by First Amendment to Lease Agreement, dated as of December 15, 2005, and Second Amendment to Lease Agreement, dated as of April 30, 2015, (b) Lease Agreement (the "Cardiology Lease" and, together with the Radiology Lease, the "Waterford Leases"), dated as of July 20, 2004, between Waterford Real Estate and Eastern Connecticut Cardiology Group, P.C. ("ECCG") for medical office space located at 196 Waterford Parkway South, Waterford, Connecticut (subsequently assigned to LMH pursuant to that certain Assignment and Assumption of Lease, dated as of May 1, 2012, by and between Waterford Cardiology Realty Group, LLC, ECCG and LMH), as amended by First Amendment to Lease Agreement, dated as of November 1, 2005, Second Amendment to Lease Agreement, dated as of July 31, 2014 and Third Amendment to Lease Agreement, dated as of April 30, 2015, and (c) Sublease Agreement by and between LMH and LMMG, dated as of May 1, 2012, for the property subject to the Cardiology Lease.

Schedule 3.5.3

Flood Hazard Areas

The property on which the L+M Cancer Center is located is partially located within a Special Flood Hazard Area. The existing structure, however, is not affected and is not in the floodplain.

Schedule 3.5.4

Conditions Affecting Assets

None.

Schedule 3.8

Subsequent Events

(a) None.

(b) *Integrated Leave Program* - Effective April 1, 2015, LMH adopted a new integrated leave program for Directors and Managers and Vice Presidents that are paid biweekly (impacting 120 employees), which includes LMH paid short term disability (self-insured) and long term disability (fully insured) insurance through Unum (plan SPD not yet available). The plan also moves affected employees to an "All Time" bank for days off rather than Separate Paid Time Off ("PTO") and Sick banks and provides for a 2015 PTO cash out of up to 5 days (with 10 days permitted to be kept in the PTO bank) and eliminates Sick day cash out for new employees (current employees may maintain up to 100 days in frozen Sick bank until used for short term disability paid at 75% and L+M has promised to pay each applicable employee for any hours in excess of 800 in their respective Sick banks at such employee's current base rate (up to $10,000). No PTO cash out will be permitted in 2016.

(c) None.

(d)

(1) LMH has purchased an Aptio Equipment Lab from Siemens on June 4, 2015 for $570,000 and a Hematology Analyzer from Sysmex on June 3, 2015 for $426,364. On July 9, 2015, LMH made an 80% payment on a Magnetic Resonance Imaging (MRI) machine from General Electric.

(2) As of April 30, 2015, LMH entered into a Third Amendment to the Cardiology Lease and a Second Amendment to the Radiology Lease Among other things, the amendments to the Cardiology Lease and the Radiology Lease each contain a cross-default provision that provides that a default by LMH under either Waterford Lease constitutes a default under the other Waterford Lease.

(e) None.

(f) None.

(g) Letter Agreement, dated as of June 23, 2014, by and among Teijin Holdings USA, Inc.; L & M Systems, Inc. and L&M Home Medical Equipment, LLC.

(h) None.

(i) None.

(j) None.

(k) None.

(l) None.

(m) None.

Schedule 3.10.2

Tax Deficiencies and Assessments

None.

Schedule 3.10.6

Real Property Certiorari Proceedings

None.

Schedule 3.10.14

L+M Non-Hospital Bonds

$5.4 million of the Series F L+M Tax-Exempt Bonds constitute L+M Non-Hospital Bonds.

Schedule 3.12

Intellectual Property

Filing #, Type, Date & Time	Debtor exactly as listed on UCC	Secured Party (Assignee, if any)	Notes
201514890510 03/17/2015 @ 3:11 pm Original Financing Statement	LMW Healthcare, Inc.	Cardinal Health	All business assets, including but not limited to, goods, equipment, inventory, accounts, accounts receivable, chattel paper, instruments, investment property and all general intangibles, books and records, computer programs and records, and other personal property, tangible or intangible, related to any of the foregoing; all accessions and additions to, substitutions for, and replacements of any of the foregoing; all proceeds or products of any of the foregoing and all rights to payments under any insurance or warranty, guaranty, or indemnity payable with respect to any of the foregoing
201312705070 07/03/2013 @ 9:55 am Original Financing Statement	Westerly Hospital	Sysco Boston, LLC	Customer hereby grants to SYSCO and each SYSCO-related company a continuing security interest in all presently owned or hereafter acquired property of customer consisting of goods, inventory, instruments, chattel paper, documents, accounts, accounts receivable, general intangibles, payment intangibles and any proceeds and all support obligations of any of the foregoing. The collateral secures customer's liabilities and obligations to SYSCO and each SYSCO - related company, whether now existing or hereafter arising.#687945020800062XXXX, dated March 14, 2012, and all of Lessee's rights, title and interest in and to use any software and services financed under and described in the Account, along with any additions, financed amounts, modifications or supplements to the Account and all substitutions, additions, accessions and replacements to the Equipment and Software.

License rights of licensors of third party software and other licensed intellectual property.

Schedule 3.13

Transactions with Affiliates

(1) Affiliate Management Agreement, dated as of May 1, 2010, by and between Sound Medical Associates, P.C.*, a Connecticut professional corporation ("Sound Medical") and LMMG.

(2) Leased Physician Agreement, dated as of January 1, 2010, by and between Sound Medical and LMMG, as amended by Amendment No. 1 to Leased Physician Agreement, dated as of May 1, 2010.

(3) Stock Transfer Restriction Agreement, dated as of September 2007, by and among Sound Medical, LMH and Daniel M. Rissi, M.D.

(4) L & M Systems, Inc. is a Participating Employer in the frozen Sound Medical Associates, P.C. Profit Sharing Plan, originally effective on January 1, 1995, restated on January 1, 2009 and frozen effective December 31, 2009.

(5) L+M is in the process of negotiating a Medical Office Lease to be by and between L+M and The New London Medical Arts Group, LLC (an entity partially owned by Ross J. Sanfilippo, D.M.D., a member of the L+M Board of Directors) for property located at 4 Shaw's Cove, New London CT.

(6) Lease, dated April 1, 2015, between LMW and Shoreline Pulmonary Associates, LLC (owned all, or in part, by Niall J. Duhig, MD).

(7) Letter Agreement, dated January 1, 2015, between Niall J. Duhig, MD and LMH (for Dr. Duhig's services as the LMH Medical Staff Vice President).

(8) Professional Services Agreement for Pulmonary Critical Care Services, dated as of June 1, 2008, by and between The Westerly Hospital and Niall Duhig, M.D. and continued with LMW pursuant to that certain Letter Agreement, dated May 20, 2013, by and between LMW and Niall Duhig, M.D. (entered into in connection with the acquisition of the assets of The Westerly Hospital by LMW).

(9) Letter Agreement, dated January 1, 2014, between Donald J. Felitto, MD and LMH (for Dr. Felitto's services as the LMH Medical Staff Immediate Past President).

(10) Letter Agreement, dated January 5, 2015, between Rachel McCormick, M.D. and LMW (for Dr. McCormick's services as LMW Medical Staff President-Elect).

(11) Letter Agreement, dated January 5, 2015, between William Conlin, MD and LMW (for Dr. Conlin's services as the LMW Medical Staff Immediate Past President).

(12) Letter Agreement, dated January 5, 2015, between Dr. Adrian Hamburger and LMW (for Dr. Hamburger's services as LMW Medical Staff President).

(13) Letter Agreement, dated January 1, 2014, between David F. Reisfeld, MD and LMH (for Dr. Reisfeld's services of LMH Medical Staff President)

*The sole member of Sound Medical is Daniel Rissi, M.D., the Vice President and Chief Medical and Clinical Operations Officer of L+M.

Schedule 3.16.1

Collective Bargaining Matters

(1) Agreement by and between LMH and Lawrence + Memorial Hospital Healthcare Workers Union, Local 5123, AFT-CT, AFT, AFL-CIO ("Local 5123"), dated as of June 1, 2012, including certain Memoranda of Agreement and Understanding by and between LMH and Local 5123, dated as of January 31, 2008, July 3, 2012, September 5, 2012, September 10, 2012, January 22, 2014, October 1, 2013, March 31, 2014, April 2, 2014, April 3, 2014, May 15, 2014, August 8, 2014, January 8, 2015, and also including that certain Memorandum of Agreement by and between LMH and Locals 5049, 5123, and 5051, dated as of June 12, 2008, and also including that certain Memorandum of Agreement by and between LMH and Locals 5049, 5051 and 5123, dated as of April 30, 2014.

(2) Agreement by and between LMH and AFT-CT, AFT Healthcare, AFL-CIO, Local 5051 ("Local 5051"), dated as of December 19, 2013, including that certain Memorandum of Agreement by and between LMH and Local 5049, Local 5123, and Local 5051 dated as of June 12, 2008, and also including that certain Memorandum of Agreement by and between LMH and Locals 5049, 5051 and 5123, dated as of April 30, 2014.

(3) Agreement by and between LMH and AFT-CT, AFT Healthcare, AFL-CIO, Local 5049 ("Local 5049"), dated as of December 19, 2013, including that certain Memorandum of Agreement by and between LMH and Local 5049, Local 5123, and Local 5051, dated as of June 12, 2008, and also including that certain Memorandum of Agreement by and between LMH and Locals 5049, 5051 and 5123, dated as of April 30, 2014.

(4) Agreement by and between LMH and International Union, Security, Police and Fire Professionals of America, dated as of February 4, 2015.

(5) Agreement by and between LMW and The Westerly United Nurses and Allied Professionals, Local 5104 ("Local 5104"), dated as of July 1, 2014, including that certain Memorandum of Agreement by and between LMH Local 5075 and 5104, undated.

(6) Agreement by and between LMW and the Westerly United Nurses and Allied Professionals, Local 5075 ("Local 5075"), dated as of July 1, 2014, including certain Memoranda of Understanding by and between LMW and Local 5075, dated as of January 15, 1991, May 8, 1992, April 27, 1994, February 15, 2001, and also including that certain Memorandum of Agreement by and between LMH and Locals 5075 and 5104, undated, and also including certain Memoranda of Agreement by and between LMW and Local 5075, undated.

(7) Collective Bargaining Agreement by and between Visiting Nurse Association of Southeastern Connecticut, Inc. and the Visiting Nurses Association of Southeastern Connecticut Federation of Registered Nurses and Home Health Aides, Local 5119, AFT-CT, AFT, ACL-CIO, dated as of October 1, 2014 (RNs).

(8) Collective Bargaining Agreement by and between Visiting Nurse Association of Southeastern Connecticut, Inc. and the Visiting Nurse Association of Southeastern Connecticut Federation of Registered Nurses and Home Health Aides, Local 5119, AFT-CT, AFT, AFL-CIO, dated as of October 1, 2014 (Home Health Aides).

(9) The National Labor Relations Board scheduled a union election at the Medical Office Building location of LMMG on November 25, 2014. The union, AFT-Connecticut, was seeking to represent

LPNs, medical assistants, patient coordinators, patient care navigators and surgical schedulers. The election resulted in a no vote for AFT-Connecticut representation.

Schedule 3.16.2

Certain Labor-Related Claims

None.

Schedule 3.16.4

Violation of Certain Agreements

None.

Schedule 3.17.1

L+M Plans

(1) LMH §403(b) Plan, as amended and restated effective as of January 1, 2009, as amended by that certain First Amendment to the LMH §403(b) Plan, effective as of October 1, 2010.

(2) LMH §457(b) Plan for Select Management Employees, effective as of October 28, 2002, as amended by that certain First Amendment to the LMH § 457(b) Plan, effective as of October 1, 2010.

(3) LMH 401(k) Plan, originally effective as of July 1, 1999, as amended by that certain First Amendment to the LMH 401(k) Plan, effective as of January 1, 2004 and further amended as of January 4, 2010.

(4) LMH Pension Plan, effective as of January 1, 2014.

(5) LMH CEO 457(f) Retirement Plan, effective as of January 1, 2006.

(6) LMH 457(f) Supplemental Retirement Plan, effective as of January 1, 2011.

(7) Group Basic Dependent Life, Basic Term Life, Supplemental Term Life, Basic Accidental Death and Dismemberment, Supplemental Accidental Death and Dismemberment, Policy Number GL-033240 for Employees of L+M and Provided by Hartford Life and Accident Insurance Company, effective as of October 1, 1991, as amended by certain Amendatory Riders effective as of March 1, 2014 and May 1, 2014.

(8) Group Long Term Disability Plan, Policy Number 301778011, provided by Unum Life Insurance Company of America for Employees of L+M, as amended.

(9) Group Long Term Disability Plan, Policy Number 521870011, provided by Unum Life Insurance Company of America for Employees of L&M Corporation, effective as of December 1, 1997, as amended.

(10) CIGNA Dental Preferred Provider Insurance to Employees of LMH, effective as of January 1, 2010.

(11) LMH Section 125 Plan, Plan Number 501, effective as of October 1, 2010.

(12) LMH Lumenos Health Savings Account, Provided by Anthem Blue Cross and Blue Shield, effective as of January 1, 2012.

(13) Fully Insured Anthem Medicare Supplement to Retirees of LMH.

(14) LMH offered a VERP in 1993 under which LMH pays a portion of the Medicare Supplement.

(15) LMH Medical Insurance Provided by Anthem BCBS and Century Preferred PPO.

(16) Vision Service Plan to Employees of LMMG.

(17) Hyatt Legal Plan to Employees of LMMG.

(18) 529 College Savings Plan to Employees of LMMG.

(19) Professional Liability Insurance to Employees of LMMG.

(20) Visiting Nurse Association of Southeastern Connecticut, Inc. Flexible Benefits Plan, Plan Number 501, effective as of October 1, 2005.

(21) Visiting Nurse Association of Southeastern Connecticut, Inc. Anthem Blue Cross (PPO and HSA) Medical Insurance Plan.

(22) Visiting Nurse Association of Southeastern Connecticut, Inc. CIGNA Dental Insurance Plan.

(23) Visiting Nurse Association of Southeastern Connecticut, Inc. Dependent Care Assistance Plan.

(24) Visiting Nurse Association of Southeastern Connecticut, Inc. Health Care Expense Reimbursement Plan, effective as of October 1, 2005.

(25) Visiting Nurse Association of Southeastern Connecticut, Inc. Vision Plan.

(26) Visiting Nurse Association of Southeastern Connecticut, Inc. Tuition Reimbursement Plan.

(27) Basic Group Term Life Insurance, Basic Accidental Death and Dismemberment Insurance, Short and Long Term Disability Insurance Provided by Anthem Life Insurance Company, Policy Number AL00003237 Sponsored by Visiting Nurse Association of Southeastern Connecticut, Inc.

(28) Defined Contribution Pension Plan for Employees of Visiting Nurse Association of Southeastern Connecticut, Inc. provided by Mutual of America Life Insurance Company, effective as of July 1, 1988.

(29) Tax-Deferred Annuity Plan for Employees of Visiting Nurse Association of Southeastern Connecticut, Inc., Provided by Mutual of America Life Insurance Company, effective as of January 1, 2009.

(30) Group Long Term Disability Plan, Policy Number 213795001, provided by Unum Life Insurance Company of America for Employees of LMW, effective as of January 1, 2013, and amended by that certain Amendment No. 1, dated as of May 1, 2014.

(31) Integrated Leave Program for Biweekly Directors and Managers, including long term and short term disability insurance provided by Unum Life Insurance Company of America, effective as of April 1, 2015 (separately set forth below).

(32) Employment Agreement (the "CEO Employment Agreement"), dated October 31, 2005, between LMH and Bruce D. Cummings (the "CEO").

(33) LMH leases vehicles for the CEO (pursuant to the CEO Employment Agreement) and for Christopher Lehrach, M.D.

(34) LMH maintains a life insurance policy with Canada Life Assurance Company (Policy No. 2380459) on behalf of John F. Mirabito, the former Chief Executive Officer of L+M. The 2015 Annual Premium for the policy is $4,115.00.

(35) Group Short Term Disability Insurance, Policy Number 640639-C, provided by Standard Insurance Company for Employees of L&M Corporation, effective as of November 1, 2000.

(36) Long Term Disability Insurance Plan, Policy Number 468882001, provided by Unum Life Insurance Company of America to Employees of L&M Corporation, effective as of April 1, 2015.

(37) Sound Medical Associates, P.C. Profit Sharing Plan, amended and restated effective as of January 1, 2009, as amended by that certain Amendatory Agreement, effective as of December 31, 2009, as further amended by that certain Amendment to Sound Medical Associates Profit Sharing Plan, effective as of February 24, 2015.

(38) Unum Administrative Services Agreement for Self-Insured Short Term Income Protection or Salary Continuation Plan, Policy Number 468881, provided by Unum Life Insurance Company of America to Employees of L&M Corporation, effective as of April 1, 2015.

Schedule 3.17.4

Benefits Triggered by Agreements

L+M is currently considering adopting retention bonuses for certain select individuals in connection with the consummation of the transactions contemplated by the Affiliation Agreement.

Schedule 3.26.1

Deficiencies Asserted by Governmental Authorities

None.

Schedule 3.27

Consents and Approvals

(1) See Schedule 7.5

(2) Cancer Center Services Agreement by and among L+M, Associated Specialists of Southeastern Connecticut, Inc. and Dana-Farber Cancer Institute, Inc., dated as of April 1, 2011, as amended by that certain Amendment to the Cancer Center Services Agreement, dated as of October 1, 2013, as further amended by that certain Second Amendment to Cancer Center Services Agreement, dated as of December 1, 2014, as further amended by that certain Third Amendment to Cancer Center Services Agreement, dated as of May 27, 2015.

(3) Respironics Somnolyzer 24x7 Hosting Agreement by and between Respironics, Inc. and LMMG, dated as of October 22, 2014.

(4) Operating Agreement of Value Care Alliance, LLC, dated as of December 23, 2013, by and among Griffin Hospital, LMH and Middlesex Hospital.

(5) Travelers Casualty and Surety Company of America, Fiduciary Liability Policy No. 1050763618.

(6) Appointment of YNHHSC as the ultimate parent of LMI may require approval of the Cayman Island Monetary Authority under Section 12 of the Cayman Island Insurance Law.

Schedule 3.28.2

Cost Report Periods

Government Payer Program	Last Three Complete Report Periods
Medicare	10/1/2011 - 9/30/2012
	10/1/2012 - 9/30/2013
	10/1/2013 - 9/30/2014
Medicaid	10/1/2010 - 9/30/2011
	10/1/2011 - 9/30/2012
	10/1/2012 - 9/30/2013

Schedule 7.5

Third Party Approvals

(1) The Federal Trade Commission must be given notice of the appointment of YNHHSC as the sole member of L+M through the premerger notification program under the HSR Act, and the transaction may not close until the HSR-required waiting period has passed.

(2) The appointment of YNHHSC as the sole corporate member of L+M will require Certificate of Need approval from OHCA.

(3) The merger of LMMG with and into NEMG will require notice to OHCA of LMMG Board approval of the merger and Certificate of Need approval from OHCA, and thirty (30) days prior to consummating the merger and closing the aforementioned transaction, notice must be filed with the Connecticut Attorney General.

(4) The appointment of YNHHSC as the ultimate corporate parent of LMW must be approved by both RIDOH and the Rhode Island Attorney General through a Hospital Conversion Act application. The change in control effected by the appointment of YNHHSC as the ultimate parent of LMW must also be approved by the RIDOH Office of Health Systems Development through a Change in Effective Control application.

(5) Notice of the Affiliation must be given to the Connecticut Attorney General at the same time that premerger notification under the HSR Act is given to the Federal Trade Commission. (7) Consent of Bank of America, N.A. to the consummation of the transactions contemplated by the Affiliation Agreement under Section 7(p), and confirmation of Bank of America, N.A. that the transactions contemplated by the Affiliation Agreement will not contravene Section 7(g), of that certain Continuing Covenants Agreement, dated as of October 13, 2013, by and among L+M and LMH on the one hand and Bank of America, N.A. on the other hand.

(6) Consent of the Connecticut Health and Education Facilities Authority to the consummation of the transactions contemplated by the Affiliation Agreement under Section 6.11 of the Master Trust Indenture, dated as of February 1, 1990, by and among L+M and LMH on the one hand and the Master Trustee named therein on the other hand, as the same has been amended or supplemented from time to time in accordance with its terms.

(7) Notification to TD Bank, National Association pursuant to Section 5.30 of that certain Letter of Credit and Reimbursement Agreement, dated as of November 5, 2013, by and among L+M and LMH on the one hand and TD Bank, National Association, on the other hand.

YNHHSC SCHEDULES
TO THE
AFFILIATION AGREEMENT

by and between

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AND

LAWRENCE + MEMORIAL CORPORATION

July 17, 2015

Introduction

Reference is made to the Affiliation Agreement (the "Affiliation Agreement"), entered into as of July 17, 2015, by and between Yale-New Haven Health Services Corporation ("***YNHHSC***") and Lawrence + Memorial Corporation ("***L+M***"). This document constitutes the Disclosure Schedule of YNHHSC pursuant to the Affiliation Agreement. Each of YNHHSC and L+M is referred to herein as a "Party" and collectively as the "Parties." All capitalized terms used, but not defined, herein shall have the meaning ascribed to such term in the Affiliation Agreement.

Section and sub-section numbers and letters used herein correspond to the section and sub-section numbers and letters in the Affiliation Agreement, unless otherwise noted, and any information disclosed in any section or sub-section herein shall be deemed to be disclosed to L+M for all purposes of the Affiliation Agreement so long as such disclosure's relevance to the applicable section(s) of the Affiliation Agreement is reasonably apparent on its face. The captions of each Schedule are included for convenience only and are not intended to limit the scope of such part, paragraph or section of the Disclosure Schedule as set forth in the Affiliation Agreement.

No disclosure made herein constitutes an admission of any liability or obligation of any YNHHSC Affiliate, an admission against any interest of any YNHHSC Affiliate or a concession as to any defense available to any YNHHSC Affiliate. Unless the Affiliation Agreement specifically provides otherwise, the disclosure of a specific item herein shall not be deemed to constitute an admission that such item is not in the ordinary course of business. To the extent that any representation or warranty contained in the Affiliation Agreement is limited or qualified by the materiality of the matters to which the representation or warranty is given, the inclusion of any matter in this Disclosure Schedule does not constitute an admission that such matters are material or will have a YNHHSC Material Adverse Effect. Certain information set forth herein is included solely for informational purposes and may not be required to be disclosed pursuant to the Affiliation Agreement.

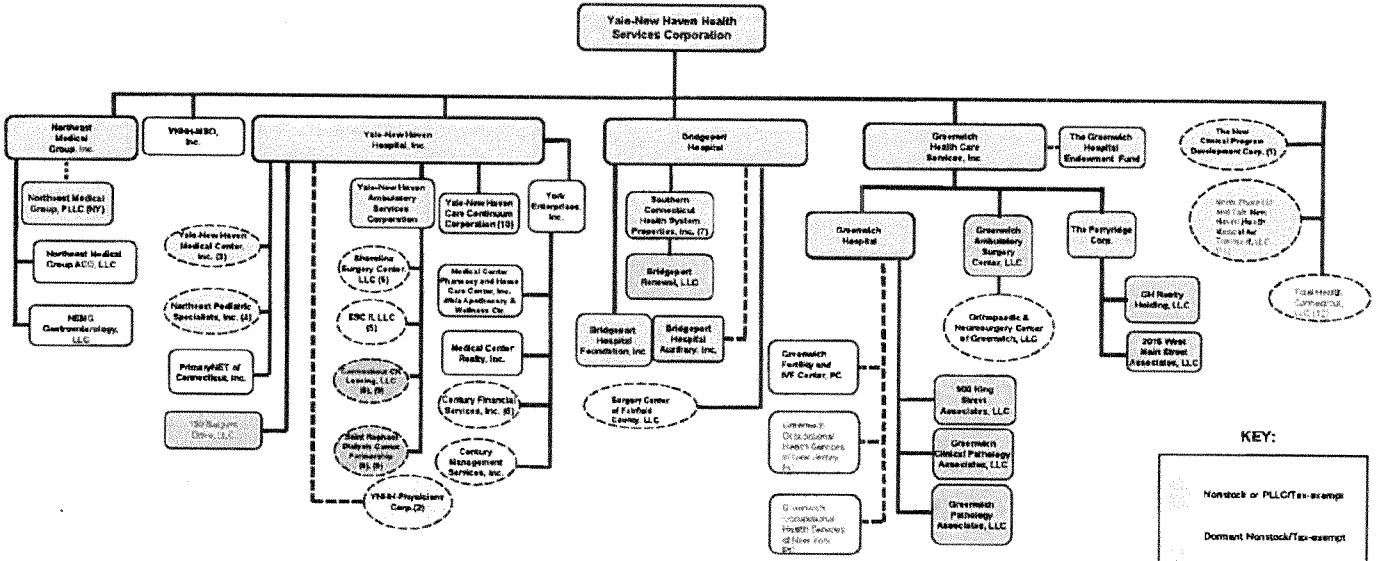
If there is any inconsistency between any provision or statement in the Affiliation Agreement and any provision or statement in the Disclosure Schedule (other than an exception in any section or subsection to a specific representation or warranty), then the provision or statement in the Affiliation Agreement shall control.

Schedule 4.1.1

YNHHSC Subsidiaries

Yale New Haven Health System

Last Updated 07/09/2015



NOTES:

1. Yale University is an equal member (with Yale-New Haven Health Services Corporation) in The New Clinical Program Development Corporation.
2. Yale-New Haven Community Medical Group, Inc. is also a member of YNHH-Physicians Corp.
3. Yale University is an equal member (with Yale-New Haven Hospital) of Yale-New Haven Medical Center, Inc.
4. Connecticut Children's Medical Center is an equal member (with Yale-New Haven Hospital) in Northeast Pediatric Specialists, Inc.
5. Physician joint venture.
6. 47.6 % of the stock of Century Financial Services, Inc. is owned by York Enterprises, Inc. Another 47.6% is owned by Bridgeport Hospital. The remaining stock is held by other hospitals or affiliates thereof.
7. This organization is exempt from Federal Income Tax under IRC Section 501(c)(2).
8. Acquired as an asset of the Hospital of Saint Raphael's affiliated entities.
9. Joint ventures with physicians or physician groups held by affiliates of Hospital of Saint Raphael.
10. Formed to acquire the assets of and to manage The Grimes Center.
11. Joint Venture between NorthShore - LIJ (80%) and Yale-New Haven Health Services Corporation (10%).
12. Joint Venture between St. Francis Healthcare Partners, Inc. (SFHP) and Yale-New Haven Health Services Corporation (YNHHS) – 80% YNHHS and 20% SFHP

DOHP0707

Schedule 4.8

Subsequent Events

In June 2015, the State of Connecticut passed a budget that included increases to the hospital tax and cuts to hospital funding that disproportionally impact YNHHSC Affiliates. The net tax impact on all Yale New Haven Health System hospitals for FY 2016, taking into account the supplemental pool distributions hospitals receive to offset the cost of providing services to Medicaid and uninsured patients, is $300,309,281 (the hospitals will pay $556,267,268 in taxes, but get only $241,119,999 back from the supplemental pool). Overall, the net tax burden on hospitals in the state in FY 2016 will be $60,082,014 more than it was in FY 2015, which is tantamount to a cut in funding to hospitals by $60 million. Yale New Haven Health System as a whole will shoulder 84.3% of that cut in funding (approximately $51M).

In addition, Yale New Haven Health System appears to have been specifically targeted for property tax increases in the budget implementer bill. That legislation will subject to taxation certain property acquired by health systems on and after October 1, 2015, but only if the health system had, for the fiscal year ending September 30, 2013, net patient revenue from facilities located within the state of $1.5 billion or more. Yale New Haven Health System and Hartford Health Care appear to be the only two health systems impacted

Schedule 4.10.2

Tax Deficiencies and Assessments

NONE

Schedule 4.12

Intellectual Property

License rights of licensors of third party software and other licensed intellectual property.

Schedule 4.16.1

Collective Bargaining Matters

- Collective Bargaining Agreement between Yale-New Haven Hospital and New England Health Care Employees Union, District 1199, SEIU, expiring December 31, 2018
- Collective Bargaining Agreement between Yale-New Haven Hospital Saint Raphael Campus and Teamsters Local Union 443, effective September 12, 2012 through September 12, 2015
- Collective Bargaining Agreement between Yale New Haven Care Continuum Corporation d/b/a Grimes Center and Teamsters Local Union 443, effective September 12, 2012 through September 12, 2015
- Representation election petition dated January 13, 2012 filed by International Union of Operating Engineers Local 30, AFL-CIO. Employer – Greenwich Hospital. Letter approving withdrawal request dated January 20, 2012.

Schedule 4.16.2

Certain Labor-Related Claims

NONE

Schedule 4.16.4

Violation of Certain Agreements

NONE

Schedule 4.26

Deficiencies Asserted by Governmental Authorities

NONE

Schedule 4.27

Consents and Approvals

1. The Federal Trade Commission must be given notice of the appointment of YNHHSC as the sole member of L+M through the premerger notification program under the HSR Act, and the transaction may not close until the HSR-required waiting period has passed.

2. The appointment of YNHHSC as the sole corporate member of L+M will require Certificate of Need approval from OHCA.

3. The merger of LMMG with and into NEMG will require notice to OHCA of LMMG Board approval of the merger and Certificate of Need approval from OHCA, and thirty (30) days prior to consummating the merger and closing the aforementioned transaction, notice must be filed with the Connecticut Attorney General.

4. The appointment of YNHHSC as the ultimate corporate parent of LMW must be approved by both RIDOH and the Rhode Island Attorney General through a Hospital Conversion Act application. The change in control effected by the appointment of YNHHSC as the ultimate parent of LMW must also be approved by the RIDOH Office of Health Systems Development through a Change in Effective Control application.

5. Notice of the Affiliation must be given to the Connecticut Attorney General at the same time that premerger notification under the HSR Act is given to the Federal Trade Commission.

6. A Transaction Test certificate is required to be delivered as a condition to the merger of LMMG with and into NEMG in satisfaction of the requirements of Section 408 of the YNHHSC Master Trust Indenture; Section 6.27 of that certain Reimbursement Agreement by and between YNHHSC and Bank of America, N.A., dated as of June 1, 2014; and each of the three International Swap Dealers Association, Inc. Master Agreements, each dated as of June 23, 2014, by and between YNHHSC and the following counterparties respectively: (i) Barclays Bank PLC; (ii) JPMorgan Chase Bank, N.A. ("***JPMC***"); and (iii) Goldman Sachs Bank USA.

7. The written consent of Wells Fargo Bank, National Association ("***Wells Fargo***") is required to be obtained as a condition of the merger of LMMG with and into NEMG, pursuant to Section 7.6(b) of that certain Amended and Restated Letter of Credit and Reimbursement Agreement by and among Wells Fargo, Yale-New Haven Hospital, Inc. and YNHHSC, dated as of June 23, 2014.

8. The written consent of JPMC is required to be obtained as a condition of the merger of LMMG with and into NEMG, pursuant to Section 15(d) of that certain Letter of Credit and Reimbursement Agreement by and between YNHHSC and JPMC, dated as of June 1, 2014.

9. The 1999 Affiliation Agreement between Yale University and YNHHSC, as amended

(the "***1999 Affiliation Agreement***") requires that if a health care provider becomes a member of Yale New Haven Health System, YNHHSC must promptly notify the Yale School of Medicine ("***YSM***") and, if such new system member has medical education affiliation agreements with medical schools other than YSM, YNHHSC must give notice of the expiration date and material program terms of such medical education affiliation agreements.

Schedule 6.5

YNHHSC Third Party Approvals

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Exhibit 2.1.1(A)

L+M Amended Certificate of Incorporation

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Corporation

Section 1. The name of the corporation is Lawrence + Memorial Corporation (the "Corporation").

Section 2. The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code"). The Corporation shall serve as the parent corporation of a network of health care affiliates in southeastern Connecticut and Rhode Island (the "L+M Network"), and the nature of the activities to be conducted, or the purposes to be promoted or carried out by the Corporation are as follows:

(a) To benefit, perform the functions of, carry out the purposes of, and uphold, promote, develop and further the welfare, programs and activities of the entities affiliated with the L+M Network (the "L+M Entities"), including the following:

(i) initiating, developing, recommending and carrying out for the L+M Entities goals and priorities for new or expanded programs for the benefit of the L+M Network and the communities served by the L+M Network;

(ii) continuously reevaluating, maintaining and revising a master plan for the programs and facilities of the L+M Network;

(iii) considering and recommending the acquisition of properties or the construction of facilities by or for the use of the L+M Entities;

(iv) planning for the acquisition and placement of new facilities and equipment by or for the use of the L+M Entities; and

(v) performing public relations work on behalf of the L+M Network, and soliciting and receiving subscriptions and gifts for the exclusively charitable purposes of the L+M Entities.

(b) To initiate, develop, operate and maintain, for the L+M Network and for other hospitals and health care facilities which are not part of the L+M Network, programs directed toward improving the efficiency of utilization of health care facilities and services in the States of Connecticut and Rhode Island, and in New

London County and surrounding areas in particular, and reducing the cost of health care to the public while maintaining a high quality of such care;

(c) To initiate, develop, operate and maintain educational programs for health professionals and for the public, including programs of nursing education, continuing medical education, residency training and community health education;

(d) To initiate, develop and maintain, in cooperation with the L+M Entities and with other hospitals and health care facilities, and operate directly or through one or more separate corporations, programs for the delivery of health care services to persons other than hospital patients;

(e) To acquire, improve, hold and lease to the L+M Entities and to other hospitals and health care facilities any real or personal property useful to the accomplishment of the purposes of this Corporation, the L+M Entities or such other hospitals or health care facilities;

(f) To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of the Corporation;

(g) Generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

(h) To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

Section 3. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

Section 4. The Corporation shall have but one member, Yale-New Haven Health Services Corporation, which shall have the rights, powers and privileges provided in the Bylaws

and by the State of Connecticut, including certain expressly reserved powers and retained rights described in the Bylaws.

Section 5. Subject to the rights, powers and privileges accorded to Yale-New Haven Health Services Corporation under the Bylaws and by the State of Connecticut, the Corporation shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Corporation shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Corporation, the terms of elected trustees may be staggered by dividing the trustees into groups so that approximately an equal number of such trustees have terms that expire each year.

Section 6. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's trustees, officers or other private persons, except that the Corporation, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Section 7. Upon any dissolution of the Corporation, all of its property and assets shall, after payment of the lawful debts of the Corporation and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Yale-New Haven Health Services Corporation, as long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution or termination of existence of the Corporation, Yale-New Haven Health Services Corporation is not in existence or does not qualify as an exempt organization under Section 501(c)(3) of the Code, to one or more charitable, scientific or education organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

Section 8. In addition to, and not in derogation of, any other rights conferred by law, a trustee shall not be personally liable for monetary damages for breach of duty as a trustee in an amount greater than the compensation received by such trustee for serving the Corporation during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such trustee, (B) enable such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such trustee to the Corporation

under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or member of the Corporation shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 9. The Corporation shall provide its trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Corporation shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes), to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Corporation under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation.

The Corporation may indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Corporation is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Section 10. The Bylaws of the Corporation may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Board of Trustees and the member.

Exhibit 2.1.1(B)

I.+M Amended Bylaws

LAWRENCE + MEMORIAL CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201_

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 2
Section 3.3 Number 3
Section 3.4 Election of Trustees 3
Section 3.5 Term and Term Limits 3
Section 3.6 Resignation 4
Section 3.7 Removal 4
Section 3.8 Vacancies 4
Section 3.9 Meetings 4
Section 3.10 Notice of Meetings 5
Section 3.11 Waiver of Notice 5
Section 3.12 Action by Unanimous Written Consent 5
Section 3.13 Participation by Conference Call 5
Section 3.14 Quorum and Voting 5
ARTICLE IV. OFFICERS 6
Section 4.1 Officers 6
Section 4.2 Election and Term of Office 6
Section 4.3 Powers 6
Section 4.4 Resignation and Removal 7
Section 4.5 Vacancies 7
Section 4.6 Other Officers 7
ARTICLE V. COMMITTEES 7
Section 5.1 Classification 7
Section 5.2 Appointment of Committee Members 8
Section 5.3 Committee Governance 8
Section 5.4 Standing Committees 8
Section 5.6 Other Committees 9
Section 5.7 Powers of Committees 9
ARTICLE VI. INDEMNIFICATION 9
ARTICLE VII. CONFLICTS OF INTEREST 9
ARTICLE VIII. MISCELLANEOUS PROVISIONS 10
Section 8.1 Fiscal Year 10
Section 8.2 Execution of Deeds and Contracts 10
Section 8.3 Execution of Negotiable Instruments 10

ARTICLE IX. AMENDMENTS 10
EXHIBIT A 11
EXHIBIT B 13

LAWRENCE + MEMORIAL CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Lawrence + Memorial Corporation** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Member (or his or her designee);

(ii) the President of the Corporation;

(iii) the Chair of the Board of Lawrence + Memorial Hospital, Inc. ("L+M Hospital");

(iv) the Chair of the Board of LMW Healthcare, Inc., doing business as Westerly Hospital ("Westerly Hospital"); and

(v) the Chair of the Board of Visiting Nurse Association of Southeastern Connecticut, Inc. ("VNASC").

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

Section 3.3 Number. The Board shall consist of no fewer than eight (8) nor more than seventeen (17) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include:

(a) up to three (3) health care providers on the Medical Staffs of L+M Hospital and Westerly Hospital who shall be selected from a group of five (5) candidates proposed to the Nominating and Governance Committee by each of the respective Medical Staffs, provided that at least one (1) such Elected Trustee shall be on the Medical Staff of L+M Hospital and at least one (1) such Elected Trustee shall be on the Medical Staff of Westerly Hospital;

(b) Up to six (6) community members from the L+M Hospital service area; and

(c) Up to three (3) community members from the Westerly Hospital service area.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an

additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member and may be filled at any time in accordance with the process set forth in Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 **Meetings**.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President/Chief Executive Officer of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President/Chief Executive Officer of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the

Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 Election and Term of Office. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board. The appointed President shall serve at the pleasure of the Member.

The President shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staffs of L+M Hospital and Westerly Hospital, Corporation personnel and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President/Chief Executive Officer of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Nominating and Governance Committee.

The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 **Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Every committee of the Board shall include among its members a representative of the Member, who shall be appointed by the President/Chief Executive Officer of the Member and who shall have a vote and be included for purposes of determining a quorum.

Section 5.3 **Committee Governance**.

(a) **Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 **Standing Committees**.

(a) **Executive Committee**. The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, a member of the Board selected by the Member, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Finance Committee**. The Finance Committee shall consist of at least three (3) Trustees, including the Treasurer, a member of the Board selected by the Member, and such other members as are necessary to properly perform the functions of the Finance Committee. The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation.

(c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall develop recommended criteria for membership on the Board and on committees of the Board. The Nominating and Governance Committee shall, after

consultation with the President, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees. The Nominating and Governance Committee shall also periodically review of Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process. The composition of the Nominating and Governance Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

(d) **Executive Compensation Committee**. The Executive Compensation Committee shall set compensation for executives of the Corporation (other than the President and any other officer whose compensation is set by the Member) who are in a position to exercise substantial influence over the affairs of the Corporation as determined by the Executive Compensation Committee. The Executive Compensation Committee shall obtain and rely upon appropriate comparability data, including from the Member, in making its compensation decisions, and shall ensure that such compensation decisions are in compliance with the laws relating to organizations described in Section 501(c)(3) of the Internal Revenue Code. The composition of the Executive Compensation Committee shall be as set forth in its Charter and shall include a member of the Board selected by the Member.

Section 5.6 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with

the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member.

EXHIBIT A

Actions Requiring Approval of Both the Board and the Member

Notwithstanding anything in these Bylaws to the contrary and except as otherwise provided in Exhibit B relating to the direct authority retained by the Member, the following actions may only be taken with both the prior approval of the Board and the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate, which will comport with the strategic planning processes and strategic plans established by the Member; and

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member.

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws.

EXHIBIT B

Direct Authority Retained by the Member

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the President consistent with Section 4.3(a), which requires prior consultation with the Board.

Other Major Activities Requiring the Approval of the Member

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with the Board of this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this

section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

Exhibit 2.1.3(A)

YNHHSC Amended Certificate of Incorporation

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

1. The name of the corporation is YALE-NEW HAVEN HEALTH SERVICES CORPORATION.

2. The nature of the activities to be conducted, or the purposes to be promoted or carried out by the corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Code (as defined in paragraph 8 hereof) and shall include the following:

A. To benefit and carry out the purposes of, to perform the functions of, and uphold, promote and further the welfare, programs and activities of an integrated health care delivery system known as the Yale New Haven Health System (the "System") and its affiliates, including Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital, Lawrence + Memorial Corporation, Northeast Medical Group, Inc. and such other organizations as may become affiliates of the System from time to time (collectively, the "YNHHS Members");

B. To engage directly in, and collaborate with, the YNHHS Members and Yale University and other hospitals and health care institutions and other organizations in, the initiation, development and maintenance of programs directed toward improving the efficiency and reducing the cost of health care services while maintaining a high quality of such care;

C. To collaborate with Yale University and with other colleges and schools in the initiation, development and maintenance of educational programs for health professionals and for the public, including programs of medical and nursing education, continuing education, graduate medical education and community health education;

D. to collaborate with the YNHHS Members, with Yale University and with other hospitals, health care institutions, colleges and schools in the initiation, development and maintenance of programs of scientific research related to the care of the sick and injured;

E. To initiate, develop, operate and maintain, directly and in collaboration with the YNHHS Members, and with other hospitals and health care institutions and organizations, programs for the delivery of health care services through one or more separate corporations;

F. To acquire, improve, hold and lease any real or personal property useful to the accomplishment of the purposes of this corporation;

G. To own and operate facilities, directly and in collaboration with the YNHHS Members, and with other hospitals and health care institutions and organizations, to achieve the purposes of the corporation;

H. To receive and accept public and private gifts, trusts, donations, grants, loans and other sources of funding to promote the purposes of this corporation; and generally to do and perform such other acts and to exercise such other powers as may be authorized or permitted under the laws of the State of Connecticut to promote and attain the purposes set forth herein; and

I. To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Act in furtherance of the foregoing.

3. The corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

4. The corporation shall have no Members, and the corporation shall be operated under the management of a Board of Trustees.

5. The Board of Trustees shall be composed of two designations of trusteeships, Elected Trustees and Ex Officio Trustees, with the trustees to be elected as provided in the Bylaws. Ex Officio Trustees may be counted in determining a quorum and have the right to vote as shall be provided in the Bylaws. As may be further provided in the Bylaws, the terms of Elected Trustees may be staggered by dividing the Elected Trustees into groups so that approximately an equal number of such Trustees have terms that expire each year.

6. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to the corporation's trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

7. Upon any dissolution or termination of the existence of the corporation, all of its property and assets shall, after payment of the lawful debts of the corporation and the expenses of its dissolution or termination, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Bridgeport Hospital, Greenwich Hospital, Yale-New Haven Hospital, Lawrence + Memorial Corporation, and Northeast Medical Group, Inc., provided they shall then qualify as exempt organizations under Section 501(c)(3) of the Code, in such proportions as the Board of Trustees may deem appropriate consistent with the relative financial and other contributions of each to the corporation, and to such other charitable, scientific or educational organizations qualified as exempt organizations under Section 501(c)(3) of the Code,

in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

8. References to sections of the Code shall be deemed references to the Internal Revenue Code of 1986, as the same may be amended from time to time, and to the corresponding provisions of any future United States Internal Revenue Law.

9. In addition to, and not in derogation of, any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the compensation received by the Trustee for serving the corporation during the year of the violation if such breach did not (1) involve a knowing and culpable violation of law by the Trustee, (2) enable the Trustee or an associate as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (3) show a lack of good faith and conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees of the corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a Trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Section 10. The corporation shall provide its Trustees with the full amount of indemnification that the corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to Trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the corporation shall indemnify its Trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (1) involved a knowing and culpable violation of law by the Trustee, (2) enabled the Trustee or an associate to receive an improper personal economic gain, (3) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the corporation, or (4) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the corporation.

The corporation may indemnify and advance expenses to each officer, employee or agent of the corporation who is not a Trustee, or who is a Trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Exhibit 2.1.3(B)

YNHHSC Amended Bylaws

YALE-NEW HAVEN HEALTH SERVICES CORPORATION

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
ARTICLE III. BOARD OF TRUSTEES 1
Section 3.1 Powers and Duties 1
Section 3.2 Composition 1
Section 3.3 Number 2
Section 3.4 Election of Trustees 2
Section 3.5 Term and Term Limits 2
Section 3.6 Resignation 3
Section 3.7 Removal 3
Section 3.8 Vacancies 3
Section 3.9 Meetings 4
Section 3.10 Notice of Meetings 4
Section 3.11 Waiver of Notice 4
Section 3.12 Action by Unanimous Written Consent 4
Section 3.13 Participation by Conference Call 4
Section 3.14 Quorum and Voting 4
ARTICLE IV OFFICERS 5
Section 4.1 Officers 5
Section 4.2 Election and Term of Office 5
Section 4.3 Powers 5
Section 4.4 Resignation and Removal 6
Section 4.5 Vacancies 6
Section 4.6 Other Officers 6
ARTICLE V. COMMITTEES 6
Section 5.1 Classification 6
Section 5.2 Appointment of Committee Members 6
Section 5.3 Committee Governance 7
Section 5.4 Standing Committees 7
Section 5.6 Other Committees 8
Section 5.7 Powers of Committees 8
ARTICLE VI. INDEMNIFICATION 8
ARTICLE VII. CONFLICTS OF INTEREST 9
ARTICLE VIII. MISCELLANEOUS PROVISIONS 9
Section 8.1 Fiscal Year 9
Section 8.2 Execution of Deeds and Contracts 9
Section 8.3 Execution of Negotiable Instruments 9
Section 8.4 Related Corporations 9
ARTICLE IX. AMENDMENTS 9

YALE-NEW HAVEN HEALTH SERVICES CORPORATION
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Yale-New Haven Health Services Corporation** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

The Corporation shall have no members and shall be governed by a self-perpetuating Board of Trustees (the "Board") as set forth herein.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. The Board shall have charge, control and management of the affairs, property and funds of the Corporation. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Board for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the communities and geographies served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of the Corporation;

(ii) the President of Yale University;

(iii) the Chair of the Board of Trustees of Yale-New Haven Hospital,

Inc.;

(iv) the Chair of the Board of Trustees of Bridgeport Hospital;

(v) the Chair of the Board of Trustees of Greenwich Hospital.

Section 3.3 Number. The Board shall consist of up to twenty-one (21) Trustees, inclusive of Ex Officio Trustees.

Section 3.4 Election of Trustees. At the annual meeting of the Board, the Board shall elect successors to the Elected Trustees whose terms are then expiring. The Board shall elect such successors consistent with the following:

(a) Nine (9) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the Chair of the Board of Trustees of Yale-New Haven Hospital, Inc.

(b) Three (3) of the Trustees, at least one of whom shall, when nominated, be a trustee of Yale-New Haven Hospital, Inc., shall be individuals nominated by the President of Yale University; provided that (x) no more than two (2) Trustees nominated and elected in accordance with this clause shall be employees of Yale University; and (y) if any Trustee nominated in accordance with this clause is an employee of Yale University, then such Trustee shall hold an officer position at Yale University throughout the term of such individual's service as a Trustee.

(c) All other Elected Trustees shall be elected from among the nominees presented by the Nominating and Governance Committee.

In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Board at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Board at which they were elected or at such later date as may be established by the Board and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided, however, that a Trustee may be re-elected for one or more additional consecutive terms if:

(i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or

(ii) the Board determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms.

In the instance of re-election as a Trustee for an additional term as provided in clause (i) above, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with cause by action of the Board. Action to remove an Elected Trustee may be taken at any meeting of the Board, provided that the notice of the meeting at which such action will be voted on shall state that the purpose or one of the purposes, of the meeting is removal of the Trustee.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled by the Board in accordance with Section 3.4 of these Bylaws. If the vacancy results from the death, resignation or removal of a Trustee elected on nomination of Yale-New Haven Hospital, Inc., Bridgeport Hospital, Greenwich Hospital or Yale University, the institution that nominated the Trustee who died, resigned or was removed shall submit a name of a replacement Trustee consistent with Section 3.4. In the event that the remaining Trustees on the Board do not constitute a quorum, a vacancy may be filled by the concurring vote of a majority of such remaining Trustees. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair or the President/Chief Executive Officer shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair or the President/Chief Executive Officer shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or the President/Chief Executive Officer and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees are present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the

Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President/Chief Executive Officer, a Chair, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be members of the Board.

Section 4.2 Election and Term of Office. Employees of the Corporation who are designated as officers shall be appointed by the Board and shall hold office at the pleasure of the Board. Officers who are not paid employees of the Corporation shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President/Chief Executive Officer.** The President/Chief Executive Officer shall be the chief executive officer of the Corporation.

The President/Chief Executive Officer shall be a person who in the judgment of the Board has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, employees and the community.

The President/Chief Executive Officer shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President/Chief Executive Officer shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President/Chief Executive Officer shall be defined in a written statement adopted by the Board.

The President/Chief Executive Officer shall be a voting member of all standing committees except as otherwise specified in these Bylaws. In the absence of the Chair and the Vice Chair, or if there be no Chair or Vice Chair, the President/Chief Executive Officer shall preside at all meetings of the Board.

The President/Chief Executive Officer shall serve, as long as he or she is appointed by the Board of Yale-New Haven Hospital, Inc., as the chief executive officer of Yale-New Haven Hospital, Inc.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, the vacancy may be filled by the Board for the unexpired term.

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members

and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees. Each committee shall be chaired by a member of the Board.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Finance Committee.** The Finance Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include at least one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. Notwithstanding anything herein to the contrary, (i) at least one member of the Finance Committee shall have financial expertise, as determined by the Board; and (ii) a majority of the members of the Finance Committee shall be Trustees. The Finance Committee shall have such duties as are established by the Board and set forth in the Finance Committee charter. These duties shall include, but not be limited to, fact-finding for the Board on matters relating to the financial administration of the Corporation and its affiliates, examination and analysis of financial reports of the Corporation and its affiliates, and preparation of annual operating and capital budgets for presentation to the Board that take into account the financial plans for the Corporation and its affiliates.

(b) **Audit Committee.** The Audit Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee. Notwithstanding anything herein to the contrary, (i) at least one member of the Audit Committee shall have financial expertise, as determined by the Board; (ii) a majority of the members of the Audit Committee shall be Trustees; and (iii) no member of the Audit Committee shall have any material business relationship (including but not limited to an employment relationship) with the Corporation or any of its affiliates. The Audit Committee shall have such duties as are established by the Board and set forth in the Audit Committee charter. These duties shall include, but not be limited to, monitoring the integrity of the financial statements of the Corporation and its affiliates; recommending to the Board an independent auditor for the Corporation and its affiliates; reviewing the outside auditor's independence, qualifications and

performance; meeting with the independent auditor from time to time to review financial results and controls of the Corporation and its affiliates; overseeing the effectiveness of internal controls of the Corporation and its affiliates.

(c) **Nominating and Governance Committee**. The Nominating and Governance Committee shall consist of not fewer than five (5) nor more than eight (8) members of whom the following shall be Ex Officio members: (i) the Chair of the Board of Yale-New Haven Hospital; (ii) the President of Yale University; (iii) the President/Chief Executive Officer of the Corporation; (iv) the Chair of the Board of Bridgeport Hospital; and (v) the Chair of the Board of Greenwich Hospital. Ex Officio members shall be counted in determining a quorum and shall have full voting rights. All other members shall be elected by the Board subject to the consent of the Chair of the Board of Yale-New Haven Hospital and at least one of such additional members shall be a member of the Board of Trustees of Yale-New Haven Hospital, Inc. The Nominating and Governance Committee shall nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all other standing committees. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(d) **System Investment Committee**. The System Investment Committee shall consist of such members as may be appointed by the Board on nomination of the Nominating and Governance Committee and shall include one (1) representative from each of the founding hospital members of the obligated group led by the Corporation. At all times, a majority of the members of the System Investment Committee shall be Trustees. The System Investment Committee shall have such duties as are delegated to it by the Board. These duties include oversight of investment activities of the Corporation.

Section 5.6 Other Committees. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Connecticut Revised Nonstick Corporation Act, as such act may be amended from time to time (the "Nonstock Act") related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President/Chief Executive Officer or such other officers or officers as may be specified by the Board or authorized by the President/Chief Executive Officer.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President/Chief Executive Officer or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Related Corporations**. The Corporation is nonprofit and shall not engage directly in activities for profit. It may, however, from time to time organize and control, through stock ownership or otherwise, one or more corporations organized and operated for profit. In considering the appropriateness of organizing or controlling corporations organized and operated for profit, the Corporation shall give principal consideration to corporations engaged in activities which relate to health care or which directly or indirectly support, advance or contribute to the purposes and objectives of the Corporation and its affiliates that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time. The Board shall establish guidelines, consistent with the provisions of this Section, for consideration of activities which might suitably be developed through for profit corporations controlled by the Corporation.

ARTICLE IX. AMENDMENTS

These Bylaws may be amended, altered, or repealed at any meeting of the Board by a two-thirds vote of the Trustees present and voting, a quorum being present, provided that the general nature and

purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice.

Notwithstanding anything herein to the contrary:

(i) any amendment to reduce or alter the number, conditions of office, or terms of Trustees who either (x) are required to be trustees of Yale-New Haven Hospital, Inc. or (y) are nominated for election by the Chair of the Board of Yale-New Haven Hospital, Inc., shall be subject to approval by at least a majority of the following Trustees: the Chair of the Board of Yale-New Haven Hospital, Inc. and all Trustees nominated by the Chair of the Board of Yale-New Haven Hospital, Inc.

(ii) any amendment to reduce or alter (x) the number, conditions of office, or terms of Trustees who serve Ex Officio by virtue of his or her position with Bridgeport Hospital or Greenwich Hospital or (y) the rights of Bridgeport Hospital or Greenwich Hospital to have a representative on certain enumerated committees of the Board, shall be subject to approval by a two-thirds vote of the Trustees present and voting, a quorum being present, and to approval by the Ex Officio Trustee representing the affected hospital(s).

(iii) any amendment, alteration or repeal of these Bylaws shall be consistent with the Affiliation Agreement between the Corporation and Yale University dated June 25, 1999 and any amendments thereto.

Exhibit 2.1.4(A)

LMMG-NEMG Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

of

L&M PHYSICIAN ASSOCIATION, INC.
a Connecticut medical foundation

with and into

NORTHEAST MEDICAL GROUP, INC.,
a Connecticut medical foundation

ARTICLE I
PARTIES

The parties to the merger (the "Merger") are L&M Physician Association, Inc., a Connecticut medical foundation (the "Merging Corporation"), and Northeast Medical Group, Inc., a Connecticut medical foundation (the "Surviving Corporation" and, together with the Merging Corporation, the "Constituent Corporations"). The Merging Corporation shall merge with and into the Surviving Corporation in accordance with the Connecticut Medical Foundations Law and the Connecticut Revised Nonstock Corporation Act (together, the "Act").

ARTICLE II
SURVIVING CORPORATION, NAME

Northeast Medical Group, Inc. shall be the surviving corporation of the Merger. The Constituent Corporations shall cause an appropriate Certificate of Merger (the "Certificate of Merger") reflecting the Merger to be filed with the Secretary of the State of the State of Connecticut. Upon the Effective Time (as defined below) of the Merger, the name of the Surviving Corporation shall continue to be Northeast Medical Group, Inc.

ARTICLE III
EFFECTIVE TIME AND DATE

The Constituent Corporations shall do all acts and things as shall be necessary or desirable to effect the Merger. The effective time and date of the Merger provided for herein shall be the time and date on which the Certificate of Merger is filed with the Secretary of the State of the State of Connecticut (the "Effective Time").

ARTICLE IV
PURPOSES OF THE PLAN OF MERGER

(a) L&M Physician Association, Inc. is a corporation without capital stock organized and existing under the Act. Northeast Medical Group, Inc. is a corporation without capital stock organized and existing under the Act.

(b) This Agreement and Plan of Merger (the "Plan") is intended to accomplish the merger of L&M Physician Association, Inc. with and into Northeast Medical Group, Inc., with Northeast Medical Group, Inc. as the surviving corporation, in the manner stated in this Plan and in accordance with the provisions of the Act.

ARTICLE V
MEMBERSHIP, CERTIFICATE OF INCORPORATION, BYLAWS, OFFICERS AND TRUSTEES

At the Effective Time, the following shall happen automatically and immediately, without the need for any other action by the board of directors of the Merging Corporation, the board of trustees of the Surviving Corporation, or the respective members of either of the Constituent Corporations, and without any filing other than the filing of the Certificate of Merger:

(a) As of the Effective Time, the separate existence of the Merging Corporation shall cease, and the membership of the Merging Corporation shall not convert into membership of the Surviving Corporation.

(b) The Certificate of Incorporation and the Bylaws of Northeast Medical Group, Inc. shall each be amended and restated at the Effective Time as a result of the Merger. The Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws of the Surviving Corporation, are set forth as Exhibit A and Exhibit B, respectively, to this Plan, and shall be effective from and after the Effective Time, until further amended pursuant to the Act and in the manner prescribed therein.

(c) The officers and trustees of Northeast Medical Group, Inc. in office immediately prior to the Effective Time shall be the officers and trustees of the Surviving Corporation until such time as they may be changed in accordance with the Bylaws of the Surviving Corporation and other applicable law.

ARTICLE VI
EFFECT OF MERGER

Upon the Effective Time of the Merger, the separate existence of L&M Physician Association, Inc. shall cease. The effect of the Merger shall be as set forth in §33-1158 of the Act.

ARTICLE VII
OTHER TERMS AND CONDITIONS

If, at any time after the Effective Time, the Surviving Corporation or its successor or assigns determines that any documentation, action or other things are necessary or desirable to further carry out the purposes of this Plan or to vest the Surviving Corporation with all right, title and interest in to and under all of the assets, properties, rights, claims, privileges, immunities, powers, franchises and authority of each of the Constituent Corporations, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name of and on behalf of any Constituent Corporation or otherwise, all such documentation, and to take and do, in the name and on behalf of any Constituent Corporation or otherwise, all such other actions and things.

END OF PLAN OF MERGER

* * * * * *

[*Signature page follows.*]

IN WITNESS WHEREOF, each of the Constituent Entities has caused this Agreement and Plan of Merger to be executed on its behalf by its duly authorized officers on this _____ day of _____.

L&M PHYSICIAN ASSOCIATION, INC.

By:_____
Name: Christopher M. Lehrach, M.D.
Title: President

NORTHEAST MEDICAL GROUP, INC.

By:_____
Name: Amit Rastogi, M.D.
Title: Interim President

EXHIBIT A
to
AGREEMENT AND PLAN OF MERGER

Amended and Restated Certificate of Incorporation
of
Northeast Medical Group, Inc.

EXHIBIT B
to
AGREEMENT AND PLAN OF MERGER

Amended and Restated Bylaws
of
Northeast Medical Group, Inc.

Exhibit 2.1.4(B)

Amended and Restated Bylaws of NEMG

NORTHEAST MEDICAL GROUP, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 2
Section 3.3 Number 2
Section 3.4 Election of Trustees 3
Section 3.5 Term and Term Limits 3
Section 3.6 Resignation 4
Section 3.7 Removal 4
Section 3.8 Vacancies 4
Section 3.9 Meetings 5
Section 3.10 Notice of Meetings 5
Section 3.11 Waiver of Notice 5
Section 3.12 Action by Unanimous Written Consent 5
Section 3.13 Participation by Conference Call 5
Section 3.14 Quorum and Voting 5
ARTICLE IV OFFICERS 6
Section 4.1 Officers 6
Section 4.2 Election and Term of Office 6
Section 4.3 Powers 6
Section 4.4 Resignation and Removal 7
Section 4.5 Vacancies 7
Section 4.6 Other Officers 7
ARTICLE V. COMMITTEES 7
Section 5.1 Classification 7
Section 5.2 Appointment of Committee Members 7
Section 5.3 Committee Governance 8
Section 5.4 Standing Committees 8
Section 5.6 Other Committees 9
Section 5.7 Powers of Committees 9
ARTICLE VI. INDEMNIFICATION 9
ARTICLE VII. CONFLICTS OF INTEREST 9
ARTICLE VIII. MISCELLANEOUS PROVISIONS 9
Section 8.1 Fiscal Year 9
Section 8.2 Execution of Deeds and Contracts 9
Section 8.3 Execution of Negotiable Instruments 9

ARTICLE IX. AMENDMENTS 10
EXHIBIT A 11
EXHIBIT B 13

NORTHEAST MEDICAL GROUP, INC.
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 **Name**. The name of the corporation is **Northeast Medical Group, Inc.** (the "Corporation").

Section 1.2 **General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 **Member**. The Corporation shall have a single member, Yale-New Haven Health Services Corporation (the "Member"), a "Health System" as defined in Section 33-182aa of the Connecticut General Statutes.

Section 2.2 **Rights, Powers and Privileges**. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a medical foundation under the Chapter 594b of the Connecticut General Statutes (as it may be amended from time to time, the "Foundation Act") and of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act (as it may be amended from time to time, the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), without the prior approval of the Member. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the Member, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the approval rights reserved to the Member set forth in Exhibit A, the Member expressly retains the rights to take the actions set forth in Exhibit B on

behalf of and in the name of the Corporation, directly and without the approval of the Board of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 3.2 Composition. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees.** Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees.** In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President of the Corporation; and

(ii) the President of each Affiliated Delivery Network, or his or her designee.

For purposes hereof, "Affiliated Delivery Network" shall mean Bridgeport Hospital, Greenwich Hospital, Lawrence + Memorial Corporation, Yale-New Haven Hospital and such other providers that may affiliate with the Yale New Haven System in the future, as designated by the Member.

Section 3.3 Number. The Board shall consist of no fewer than thirteen (13) nor more

than twenty-four (24) Trustees, inclusive of Ex Officio Trustees. The number of Trustees within the range set forth in the preceding sentence shall be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors consistent with the following Board composition:

(a) two (2) representatives of senior management of the Member (each, a "YNHHSC Board Member");

(b) one (1) representative from each Affiliated Delivery Network other than Lawrence + Memorial Corporation (in addition to the President, or his or her designee, who shall serve Ex Officio as set forth in Section 3.2(b));

(c) two (2) physicians employed by the Corporation, each of whom is a member in good standing on the medical staff of Lawrence + Memorial Hospital or Westerly Hospital;

(d) up to eight (8) individuals, each of whom is either (1) nominated by a majority vote of the Board and approved by the Member; or (2) self-nominated and appointed by the Member; provided, however, that each such individual, whether nominated by a majority vote of the Board or self-nominated, shall be a Provider (as defined in the Foundation Act) employed or engaged by the Corporation and a member in good standing on the medical staff of one or more Affiliated Delivery Network;

(e) two (2) representatives of Yale School of Medicine;

(f) such other individuals nominated Yale School of Medicine and approved by the Member; provided, however, that each such other individual shall be a Provider employed or engaged by the Corporation and a member in good standing on the medical staff of one or more Affiliated Deliver Network.

Notwithstanding anything herein to the contrary: (x) in accordance with the Foundation Act, the number of Trustees on the Board who are Providers shall equal or exceed the number of Trustees on the Board who are nonprovider employees of the Member; and (y) the number of Trustees appointed to the Board as representatives of, or on the nomination of, Yale School of Medicine shall constitute twenty-five percent (25%) of the total number of Trustees on the Board.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of Yale-New Haven Health Services Corporation at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of Yale-New Haven Health Services Corporation.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board with cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the Trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Board or the President shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held on such dates and at such times and places as the Board or President shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the President and shall be called by the President upon the written request of the Member or any Trustee.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board and the Member in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President/Chief Executive Officer of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President/Chief Executive Officer of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided

that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a Chair, a President, a Secretary, a Treasurer and such other officers, including Vice Chairs, as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be members of the Board.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, any Vice Chairs, the Secretary and the Treasurer shall be nominated by the Nominating and Governance Committee and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board. The appointed President shall serve at the pleasure of the Member.

The President shall be a person who in the judgment of the Member has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, employees and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board may designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s), if any, shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office, shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President may be removed from office by the Member following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as may be provided for, from time to time, in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in

these Bylaws, members and chairs of all standing committees shall be appointed by the Board on nomination of the Nominating and Governance Committee. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. All committees shall have the power to choose their own secretaries. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings.** Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee.** The Executive Committee shall consist of the Chair, who shall act as chair of the committee, the President, the Treasurer, and any other member of the Board that the Board may choose to appoint. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws or resolution of the Board.

(b) **Nominating and Governance Committee.** The Nominating and Governance Committee shall consist of Trustees elected by the Board. The Nominating and Governance Committee shall, after consultation with the President and other Trustees, nominate candidates to be voted upon in electing officers and members of the Board and nominate for appointment by the Board the chairs and members of all standing committees. The Nominating and Governance Committee shall also review Board governance matters and recommend enhancements to strengthen the Board and ensure the comprehensiveness and efficiency of its governance process.

(c) **Finance Committee.** The Finance Committee shall have such duties as are established by the Member and set forth in the Finance Committee charter. These duties shall include, but not be limited to, approval of local operating and capital budgets and examination and monitoring of other operating and capital budgets involving the Corporation.

Section 5.6 **Other Committees**. The Board may establish and appoint from among the Trustees or others, such other committees with such powers and authority as the Board shall designate, except that no such committee may exercise the authority of the Board.

Section 5.7 **Powers of Committees.** No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Member, Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

ARTICLE IX. AMENDMENTS

Subject to approval by the Member, these Bylaws may be amended, altered, or repealed at any meeting of the Board by a majority vote of the Trustees present and voting, a quorum being present. The general nature and purpose of such proposed amendment(s) shall be set forth in the notice of the meeting, and the actual language of the proposed amendments need not be included in the notice. No amendment, alteration or repeal shall take effect until it shall have been approved by the Member.

EXHIBIT A

Actions Requiring Approval of the Member

Notwithstanding anything in these Bylaws to the contrary, neither the Board nor any officer or employee of the Corporation may take any of the following actions, or approve an Affiliate taking any of the following actions, without the prior approval of the Member:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate and the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by the Member to adopt such budgets within parameters established by the Member);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by the Member by a specified dollar amount to be determined from time to time by the Member;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by the Member, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. The Member shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by the Member; and

L. Adoption of any polices relating to compensation of employed physicians or the taking of any other action to establish or adjust compensation of employed physicians. For purposes hereof, compensation shall include salary, fringe benefits and deferred compensation.

Other Major Activities

A. In addition, the Member shall have the authority, except as otherwise provided by the Member and after consultation with this Corporation, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that the Member determines to be "major activities."

B. "Major activities" shall be those which the Member by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to this Corporation, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of the Member, and shall refer to this Bylaw provision granting such approval rights to the Member. Notices received pursuant to this section shall be recorded in the minutes of this Corporation and shall be filed with the minutes of this Corporation.

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member pursuant to these Bylaws and the Bylaws of the Member.

EXHIBIT B

Actions Direct Authority Retained by the Member

Notwithstanding anything in these Bylaws to the contrary, the Member retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by the Member in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to the Member or as otherwise directed by the Member;

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate; and

G. Appointment of the President consistent with Section 4.3(a).

Exhibit 2.1.4(C)

Amended and Restated Certificate of Incorporation of NEMG

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

NORTHEAST MEDICAL GROUP, INC.

§1. Name. The name of the Corporation shall hereafter be: NORTHEAST MEDICAL GROUP, INC. (the "Corporation").

§2. Purposes. The nature of the activities to be conducted and the purposes to be promoted or carried out by the Corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall include the following:

(a) to operate and maintain one or more offices or facilities for the study, diagnosis and treatment of human ailments and injuries by licensed persons;

(b) to render medical and surgical treatment, consultation or advice by duly licensed employees or agents of the Corporation to patients without regard to race, color, creed, sex, age or ability to pay for such care and services;

(c) to promote, enhance, improve, and develop medical, surgical and scientific research at providers affiliated with Yale-New Haven Health Services Corporation, including, for so long as such providers are affiliated with Yale-New Haven Health Services Corporation, Bridgeport Hospital, Greenwich Hospital, Lawrence + Memorial Corporation, Yale-New Haven Hospital and such other providers that may affiliate with Yale-New Haven Health Services Corporation in the future (the "Affiliated Delivery Networks") and throughout the communities they serve;

(d) to promote, enhance, improve and augment the quality of medical and clinical education and patient care at Affiliated Delivery Networks and at any other sites determined by the Corporation;

(e) to promote and enhance a high quality of medical care and other human services for the benefit of all persons in the communities it serves;

(f) to augment the planning process for the promotion of the general well-being and human health needs of the communities it serves;

(g) to solicit, accept, hold, invest, reinvest, and administer any contributions, grants, donations, gifts, bequests, devises, benefits of trusts (but not to act as trustee of any trust), and property of any sort, without limitation as to amount or value, and to use, disperse or donate the income or principal thereof for exclusively charitable and educational purposes in such manner as, in the judgment of the Board of Trustees and the member of the Corporation, will best promote the purposes of the Corporation;

(h) to contract for, purchase, receive, own, manage, operate or lease property, real, personal and mixed, wheresoever situated, as may be necessary to promote and further the purposes and objectives of the Corporation; and

(i) to engage in any lawful act or activity for which a medical foundation may be organized under Chapter 594b of the General Statutes of Connecticut or for which a nonstock corporation may be organized under Chapter 602 of the General Statutes of Connecticut.

The member of the Corporation has elected to bring the Corporation within the provisions of Chapter 594b of the General Statutes of Connecticut.

In furtherance of the purposes set forth herein, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through the corporation and its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the corporation's charitable purposes and the charitable purposes of all System affiliates.

§3. Nonprofit. The Corporation is nonprofit and shall not have or issue shares of stock or make distributions.

§4. Member. The Corporation shall have but one voting member. The member shall be Yale-New Haven Health Services Corporation, a "Health System" as defined in Section 33-182aa of the Connecticut General Statutes. The member shall have the rights, powers and privileges provided in the Corporation's Bylaws and by Connecticut law, including certain expressly reserved powers and retained rights described in the Bylaws.

§5. Duration. The duration of the Corporation shall be perpetual.

§6. Board of Trustees. Subject to the rights, powers and privileges of the member, the Corporation shall operate under the management of its Board of Trustees. The Bylaws may provide that certain persons occupying certain positions within or without the Corporation shall be ex-officio trustees, who may be counted in determining a quorum and may have the right to vote as may be provided in the Bylaws. As may be further provided in the Bylaws, the terms of elected trustees may be staggered by dividing the elected trustees into up to three groups so that approximately an equal number of such trustees have terms that expire each year. Trustees may be removed by the member for cause as set forth in the Bylaws.

§7. Restrictions. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, the Corporation's trustees, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 2 hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of "statements")

any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

§8. Dissolution. Upon the dissolution or termination of the existence of the Corporation, all of its property and assets, after payment of the lawful debts of the Corporation and the expenses of its dissolution or termination, shall be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Yale-New Haven Health Services Corporation, or, if at the time of the dissolution or termination of the existence of the Corporation, Yale-New Haven Health Services Corporation is not in existence or does not qualify as exempt under Section 501(c)(3) of the Code, to any organization (or organizations) that qualifies as an organization exempt under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

§9. Limitation of Liability of Trustees. In addition to and not in derogation of any other rights conferred by law, a Trustee shall not be personally liable for monetary damages for breach of duty as a Trustee in an amount greater than the amount of compensation received by [illegible]tee for serving the Corporation during the year of the violation, provided that such breach [illegible] involve a knowing and culpable violation of law by the Trustee, (b) enable the Trustee or an [illegible] defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (c) show a lack of [illegible]d a conscious disregard for the duty of the Trustee to the Corporation under circumstances in which the Trustee was aware that his/her conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (d) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the Corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees or member of the Corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a Trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

§10. Indemnification. The Corporation shall provide its Trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act. In furtherance of the foregoing, the Corporation shall indemnify its Trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statues to any person for any action taken, or any failure to take any action, as a Trustee, except liability that (1) involved a knowing and culpable violation of law by the Trustee, (2) enabled the Trustee or an associate to receive an improper personal economic gain, (3) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the Corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an

unjustifiable risk of serious injury to the Corporation, or (4) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the Corporation.

The Corporation may indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a Trustee, or who is a Trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any Trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

§11. Amendment of Bylaws. The Bylaws of the Corporation may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Board of Trustees and the member.

Exhibit 2.1.5(a)(1)

LMH Amended Certificate of Incorporation

Amended and Restated

Certificate of Incorporation

of

Lawrence + Memorial Hospital, Inc.

Sec. 1. The name of the corporation is Lawrence + Memorial Hospital, Inc. (the "Hospital").

Sec. 2. The nature of the activities to be conducted, and the purposes to be promoted or carried out by the Hospital, shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Code") and shall include the following:

(a) To establish, maintain and carry on an institution with permanent facilities for inpatients and ambulatory patients, with medical services to provide diagnosis and treatment, to carry on all associated services, and to assure that there is no unlawful discrimination under any program or in any facility of the Hospital;

(b) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health needs of the community;

(c) To conduct and participate in educational and scientific research activities related to providing care to the sick and injured, to the promotion of health, or to the development of personnel in the health professions or occupations, which, in the opinion of the Board of Trustees may be justified and supported by the facilities, personnel, funds or other requirements that are or can be made available; and

(d) To engage in any lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Hospital shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Hospital's charitable purposes and the charitable purposes of all System affiliates.

Sec. 3. The Hospital is nonprofit and shall not have or issue shares of stock or pay dividends.

Sec. 4. The Hospital shall have but one member, Lawrence + Memorial Corporation (the "Sole Member"), which shall have the rights, powers and privileges provided in the Bylaws and by the State of Connecticut, including the right to exercise, on behalf of and as directed by its sole member, Yale-New Haven Health Services Corporation ("YNHHSC"), certain expressly reserved powers and retained rights described in the Bylaws.

Sec. 5. Subject to the rights, powers and privileges accorded to the Sole Member and to YNHHSC under the Bylaws and by the State of Connecticut, the Hospital shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Hospital shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Hospital, the terms of elected trustees may be staggered by dividing the trustees into groups so that approximately an equal number of such trustees have terms that expire each year.

Sec. 6. No part of the net earnings of the Hospital shall inure to the benefit of or be distributable to the Hospital's trustees, officers or other private persons, except that the Hospital, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Hospital shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Hospital shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of this Certificate of Incorporation, the Hospital shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

Sec. 7. Upon any dissolution of the Hospital, all of its property and assets shall, after payment of the lawful debts of the Hospital and the expenses of its dissolution, be delivered, conveyed and paid over (subject to any restrictions imposed by any applicable will, deed, grant, conveyance, agreement, memorandum, writing or other governing document) to Lawrence + Memorial Corporation, so long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Code, or, if at the time of the dissolution of the Hospital, Lawrence + Memorial Corporation is not in existence or does not so qualify, to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

Sec. 8. In addition to, and not in derogation of, any other rights conferred by law, a trustee of the Hospital shall not be personally liable for monetary damages for breach of duty as a trustee in an amount greater than the compensation received by the trustee for serving the Hospital during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such trustee, (B) enable such trustee or an associate (as defined in

Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such trustee to the Hospital under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Hospital. Any lawful repeal or modification of this Section 8 or the adoption of any provision inconsistent herewith by the Board of Trustees or the Sole Member of the Hospital shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 8 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

Sec. 9. The Hospital shall provide its trustees with the full amount of indemnification that the Hospital is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Hospital shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Hospital under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Hospital, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Hospital.

The Hospital may indemnify and advance expenses to each officer, employee or agent of the Hospital who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Hospital is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Hospital shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

Sec. 10. This Certificate of Incorporation and the Bylaws of the Hospital may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Sole Member and YNHHSC.

Exhibit 2.1.5(a)(2)

LMH Amended Bylaws

LAWRENCE + MEMORIAL HOSPITAL, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 4
Section 3.3 Number 5
Section 3.4 Election of Trustees 5
Section 3.5 Term and Term Limits 5
Section 3.6 Resignation 6
Section 3.7 Removal 6
Section 3.8 Vacancies 7
Section 3.9 Meetings 7
Section 3.10 Notice of Meetings 7
Section 3.11 Waiver of Notice 7
Section 3.12 Action by Unanimous Written Consent 7
Section 3.13 Participation by Conference Call 8
Section 3.14 Quorum and Voting 8
ARTICLE IV. OFFICERS 8
Section 4.1 Officers 8
Section 4.2 Election and Term of Office 8
Section 4.3 Powers 8
Section 4.4 Resignation and Removal 9
Section 4.5 Vacancies 9
Section 4.6 Other Officers 10
ARTICLE V. COMMITTEES 10
Section 5.1 Classification 10
Section 5.2 Appointment of Committee Members 10
Section 5.3 Committee Governance 10
Section 5.4 Standing Committees 10
Section 5.5 Other Committees 11
Section 5.6 Powers of Committees 11
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 11
ARTICLE VIII. MISCELLANEOUS PROVISIONS 12
Section 8.1 Fiscal Year 12
Section 8.2 Execution of Deeds and Contracts 12
Section 8.3 Execution of Negotiable Instruments 12
Section 8.4 Auxiliary 12

Section 8.5 Department Chairs 12
ARTICLE IX. AMENDMENTS 12
EXHIBIT A 13
EXHIBIT B 15

LAWRENCE + MEMORIAL HOSPITAL, INC.
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Lawrence + Memorial Hospital, Inc.** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Hospital and any changes thereto;

(ii) Recommend to the Member and YNHHSC the Corporation's strategic plans;

(iii) Recommend to the Member and YNHHSC the Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Corporation or any Affiliate;

(v) Recommend to the Member and YNHHSC the formation or acquisition by the Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) Recommend to the Member approval of any consent decree or settlements from state and federal authorities;

(ii) Recommend to the Member nominations for and removal of Trustees of the Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(iv) Periodically assess the Corporation's Quality Initiatives, including tracking and reporting on the Hospital's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(v) Periodically assess the Corporation's Development Plans and its Planned Giving Plans;

(vi) Periodically assess the Corporation's Community Relations Initiatives and Community Outreach Programs;

(vii) Approve actions with respect to the privileges and credentials of members of the Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the Corporation's Medical Staff Bylaws and any System guidelines established by the Member, subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(viii) Evaluate the Board's performance.

Section 3.2 **Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of

demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants**. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings of the Board and shall not be counted in determined a quorum thereof.

Section 3.3 Number. The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected

Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 **Resignation**. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 **Removal**. One or more Elected Trustees may be removed from the Board

with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 **Vacancies**. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 **Meetings**.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 **Notice of Meetings**. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 **Waiver of Notice**. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 **Action by Unanimous Written Consent**. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 Election and Term of Office. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 Powers. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to

such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 **Other Officers**. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 **Classification**. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 **Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 **Committee Governance**.

(a) **Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 **Standing Committees**.

(a) **Executive Committee**. The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee**. The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review committee" within the meaning of that term as set forth in Chapter 368a of the Connecticut General Statutes, as amended from time to time.

Section 5.5 Other Committees. The Board may establish and appoint ad-hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Trustee and two (2) other individuals who may or may not be Trustees. Each such committee shall be chaired by a Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer

than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 **Department Chairs**. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Certificate of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate,

Other Major Activities

A. In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Exhibit 2.1.5(b)(1)

LMW Amended Certificate of Incorporation

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615
(401) 222-3040

INSTRUCTIONS FOR FILING ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF A DOMESTIC NON-PROFIT CORPORATION

Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended

The attached form is designed to meet minimal statutory filing requirements pursuant to the relevant statutory provision. This form and the information provided are not substitutes for the advice and services of an attorney and/or tax specialist.

1. In order to procure a Certificate of Amendment, a non-profit corporation must file Articles of Amendment to the Articles of Incorporation (Form No. 201) with the Office of the Secretary of State, Corporations Division, at the above address. When the Articles are properly completed, signed and submitted with the correct filing fee, a Certificate of Amendment, shall be issued.

2. Upon filing the Articles, the corporation must be in good standing and current with the filing of its annual reports and the maintenance of its registered agent and its registered office in this state.

3. The filing fee for the Articles of Amendment is $10.00, and payment should be made payable to the Rhode Island Secretary of State.

4. A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation as amended contain only such provisions as are lawful under this chapter. The following instructions apply if the corporation is changing its corporate name, and/or changing, enlarging or diminishing its corporate purpose.

   (a) The name of any non-profit corporation must be "distinguishable upon the records of the secretary of state." This means the Office of the Secretary of State will deny a request for a name if such name is identical to or not distinguishable from any entity, name reservation, or registration on file with the Business Section of the Corporations Division. A preliminary name availability check can be made by checking the Name Availability Database on our website, or by phoning us at the above telephone number. This preliminary check is not statutorily required, is not binding upon the Secretary of State, and does not ensure that the name will be available upon filing the Articles of Incorporation. It is suggested that you do not make any financial expenditures or execute documents utilizing the name based upon a preliminary name availability check. The final determination as to availability of the name will be made when the documents are submitted for filing.

   (b) The specific purpose or purposes of the corporation must be stated. General statements such as "any lawful purpose" or "any lawful business" will not be accepted.

5. The Articles must be signed by the corporation's president or vice president and secretary or assistant secretary. A signature must appear on each line even if the same person holds both offices.

If you have any questions, please call us at (401) 222-3040, Monday through Friday, between 8:30 a.m. and 4:30 p.m.

Filing Fee: $10.00 **ID Number: 790650**

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is **LMW Healthcare, Inc.**

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

Please see amendment attached.

Form No. 201
Revised: 12/05

3. The amendment was adopted in the following manner:

(check one box only)

☑ The amendment was adopted at a meeting of the members held on _____, at which meeting a quorum was present, and the amendment received at least a majority of the votes which members present or represented by proxy at such meeting were entitled to cast.

☐ The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.

☐ The amendment was adopted at a meeting of the Board of Directors held on _____ and received the vote of a majority of the directors in office, there being no members entitled to vote with respect thereto.

4. Date when amendment is to become effective _____
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

LMW Healthcare, Inc.
Print Corporate Name

By _____

☐ President or ☐ Vice President (check one)

AND

By _____

☐ Secretary or ☐ Assistant Secretary (check one)

Attachment to

Articles of Amendment to

Articles of Incorporation for:

LMW Healthcare, Inc.

Section 3 shall be amended to add thereto:

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

Exhibit 2.1.5(b)(2)

LMW Amended Bylaws

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 4
Section 3.3 Number 5
Section 3.4 Election of Trustees 5
Section 3.5 Term and Term Limits 5
Section 3.6 Resignation 6
Section 3.7 Removal 6
Section 3.8 Vacancies 6
Section 3.9 Meetings 6
Section 3.10 Notice of Meetings 6
Section 3.11 Waiver of Notice 7
Section 3.12 Action by Unanimous Written Consent 7
Section 3.13 Participation by Conference Call 7
Section 3.14 Quorum and Voting 7
ARTICLE IV. OFFICERS 7
Section 4.1 Officers 7
Section 4.2 Election and Term of Office 8
Section 4.3 Powers 8
Section 4.4 Resignation and Removal 9
Section 4.5 Vacancies 9
Section 4.6 Other Officers 9
ARTICLE V. COMMITTEES 9
Section 5.1 Classification 9
Section 5.2 Appointment of Committee Members 9
Section 5.3 Committee Governance 9
Section 5.4 Standing Committees 10
Section 5.5 Other Committees 10
Section 5.6 Powers of Committees 10
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 11
ARTICLE VIII. MISCELLANEOUS PROVISIONS 11
Section 8.1 Fiscal Year 11
Section 8.2 Execution of Deeds and Contracts 11
Section 8.3 Execution of Negotiable Instruments 11
Section 8.4 Auxiliary 11

Section 8.5 Department Chairs 11
ARTICLE IX. AMENDMENTS 11
EXHIBIT A 12
EXHIBIT B 14

LMW HEALTHCARE, INC. D/B/A WESTERLY HOSPITAL
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 **Name**. The name of the corporation is **LMW Healthcare, Inc.** (the "Corporation"). The Corporation shall conduct business under the name "Westerly Hospital."

Section 1.2 **General Purposes**. The purposes of the Corporation shall be as set forth in the Corporation's Articles of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Articles of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 **Member**. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 **Rights, Powers and Privileges**. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Rhode Island nonprofit corporation under the Rhode Island Nonprofit Corporation Act as may be amended from time to time (the "Act") and not conferred thereby or by the Articles of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies. Without limiting the generality of the foregoing, the Board shall be responsible for the appointment, organization and activities of the Medical Staff (the "Medical Staff"), shall hold the Medical Staff responsible for recommendations concerning medical matters, and shall make decisions regarding initial staff appointments, reappointments, terminations of appointments, and the granting, termination, curtailment or revision of clinical privileges (directly or as delegated by the Board to the Patient Safety and Clinical Quality Committee in accordance with Section 5.4(b) of these Bylaws).

Further without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Corporation and any changes thereto;

(ii) Recommend to the Member and YNHHSC the Corporation's strategic plans;

(iii) Recommend to the Member and YNHHSC the Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Corporation or any Affiliate;

(v) Recommend to the Member and YNHHSC the formation or acquisition by the Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) Recommend to the Member approval of any consent decree or settlements from state and federal authorities;

(ii) Recommend to the Member nominations for and removal of Trustees of the Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(iv) Periodically assess the Corporation's Quality Initiatives, including tracking and reporting on the Corporation's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(v) Periodically assess the Corporation's Development Plans and its Planned Giving Plans;

(vi) Periodically assess the Corporation's Community Relations Initiatives and Community Outreach Programs;

(vii) Approve actions with respect to the privileges and credentials of members of the Corporation's medical staff in accordance with state and federal law, applicable accreditation standards, the Corporation's Medical Staff Bylaws and any System guidelines established by the Member, subject to the Board's delegation of authority to the Board Patient Safety and Clinical Quality Committee; and

(viii) Evaluate the Board's performance.

Section 3.2 **Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member (if such person is not also concurrently serving as the President of the Corporation);

(iii) the President of the Corporation (if such person is not also concurrently serving as the President of the Member);

(iv) the President of the Medical Staff; and

(v) the Vice President of the Medical Staff.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

(c) **Other Board Participants**. Any present or former Trustee who has served with unusual distinction, or faithfully over a number of years, shall be eligible for election by the Board as a Trustee Emeritus. A Trustee Emeritus shall have the privilege of attending meetings of the Board and shall have the privilege of the floor, but shall have no vote at meetings

of the Board and shall not be counted in determined a quorum thereof.

Section 3.3 Number. The Board shall consist of no fewer than six (6) nor more than twelve (12) Trustees, such number to be determined from time to time by the Member.

Section 3.4 Election of Trustees. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Notwithstanding anything herein to the contrary, the Elected Trustees shall include one (1) physician on the Medical Staff who has previously held the position of President of the Medical Staff.

Section 3.5 Term and Term Limits. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such

determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 Resignation. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing.

Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 Quorum and Voting. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 Officers. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair and any Vice Chair shall be selected from among members of the Board of Trustees. The offices of the President, the Chair and the Treasurer shall be held by different individuals.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, the Medical Staff, Corporation personnel, YNHHSC and the community.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 Classification. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 Appointment of Committee Members. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 Committee Governance.

(a) **Quorum and Voting.** A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 Standing Committees.

(a) **Executive Committee**. The Executive Committee shall consist of the President, the Chair, the Secretary, the Treasurer, the President of the Member (if such person is not also concurrently serving as the President of the Corporation), a member of the Board selected by YNHHSC, and any other member of the Board that the Board may choose to appoint. The Chair shall serve as the chair of the Executive Committee. The Executive Committee shall possess and may exercise in the intervals between meetings of the Board all such powers of the Board, except as may otherwise be provided by law, these Bylaws, or resolution of the Board.

(b) **Patient Safety and Clinical Quality Committee**. The Patient Safety and Clinical Quality Committee shall have such duties as are delegated to it by the Board. These duties include authority to render decisions in cases of uncontested medical staff appointments, reappointments, and renewals or modifications of clinical privileges. The Patient Safety and Clinical Quality Committee shall also periodically review patient safety and clinical quality metrics to ensure the provision of high quality, effective care. Other delegated duties may be set forth in the Medical Staff Bylaws. The Patient Safety and Clinical Quality Committee shall serve as a liaison for communication between the Board, the Medical Staff and hospital administration. To the extent that such committee engages in peer review activity, such committee shall function as a "peer review board" for the purposes set forth in R.I. Gen. Laws § 23-17-25(a), as amended from time to time.

Section 5.5 Other Committees. The Board may establish and appoint ad-hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Trustee and two (2) other individuals who may or may not be Trustees. Each such committee shall be chaired by a Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. The Executive Committee shall have authority to take actions consistent with these Bylaws; all other committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees to the full extent permitted by law.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Act related to disclosure and approval of transactions that present a conflict of interest.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

Section 8.4 **Auxiliary**. There may be an auxiliary organized to further the purposes and interests of the Corporation (the "Auxiliary"). The Auxiliary shall have the authority, subject to the review and approval of the Board, to adopt and amend bylaws for its operations which shall state its purpose, duties and organization.

Section 8.5 **Department Chairs**. The Corporation shall consult with YNHHSC regarding the recruitment and selection of all Department Chairs or other comparable positions at the Corporation and/or any of its Affiliates.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Articles of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken upon the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member or YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate.

Other Major Activities

A. In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Exhibit 2.1.5(c)(1)

VNA of Southeastern Connecticut Amended Certificate of Incorporation

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

VISITING NURSE ASSOCIATION OF SOUTHEASTERN CONNECTICUT, INC.

1. The name of the corporation is Visiting Nurse Association of Southeastern Connecticut, Inc. (the "Corporation").

2. The nature of the activities to be conducted, and the purposes to be promoted or carried out by the Corporation shall be exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended from time to time, and the corresponding provisions of any future United States Internal Revenue Law (the "Internal Revenue Code") and shall include the following:

(a) The promotion and maintenance of health;

(b) The prevention of disease and disability;

(c) Provision and coordination of vital health and support services for those in need of preventative, acute, maintenance, and/or terminal care at home and in the communities served based on current community needs;

(d) Collaboration and coordination with other groups in developing and implementing community health programs;

(e) Contribution to knowledge supporting improvements in community health practice; and

(f) Any other lawful act or activity for which a corporation may be organized under the Connecticut Revised Nonstock Corporation Act, as the same may be amended from time to time, and the corresponding provisions of any future Connecticut nonstock corporation law.

In furtherance of the foregoing, the Corporation shall (i) participate as an integral part of the integrated health care delivery system known as the Yale New Haven Health System (the "System"), which System provides, through its affiliates, comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality; and (ii) fund and promote activities and programs of the System, including activities and programs of its affiliates, consistent with and in furtherance of the Corporation's charitable purposes and the charitable purposes of all System affiliates.

3. The Corporation shall have but one member, Lawrence + Memorial Corporation (the "Sole Member"), which shall have the rights, powers and privileges provided in the Bylaws and by the State of Connecticut, including the right to exercise, on behalf of and as directed by its sole member, Yale-New Haven Health Services Corporation ("YNHHSC"), certain expressly reserved powers and retained rights described in the Bylaws.

4. Subject to the rights, powers and privileges accorded to the Sole Member and to YNHHSC under the Bylaws and by the State of Connecticut, the Corporation shall be governed by its Board of Trustees. The Bylaws may provide that persons occupying certain positions within or without the Corporation shall be ex-officio trustees who may vote and be counted in determining a quorum. As may be further provided in the Bylaws of the Corporation, the terms of elected trustees may be staggered by dividing the trustees into groups so that approximately an equal number of such trustees have terms that expire each year.

5. The Corporation is nonprofit and shall not have or issue shares of stock or pay dividends.

6. Notwithstanding any other provision of this Certificate of Incorporation, the Corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

7. No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's trustees, officers or other private persons, except that the Corporation, subject to the provisions of the Bylaws, shall be authorized and empowered to pay reasonable compensation for services rendered. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

8. Upon dissolution of the Corporation and subject to any restrictions imposed by any applicable will, deed, agreement or other governing document, the Board of Trustees shall dispose of and distribute the assets remaining after payment of all liabilities to Lawrence + Memorial Corporation, so long as it is at that time an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code, or, if at the time of the dissolution of the Corporation, Lawrence + Memorial Corporation is not in existence or does not so qualify, to one or more charitable, scientific or educational organizations located in the State of Connecticut and qualified as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, in such proportions and for such exclusively charitable, scientific or educational purposes as the Board of Trustees may determine.

9. In addition to, and not in derogation of, any other rights conferred by law, a trustee of the Corporation shall not be personally liable for monetary damages for breach of duty as a trustee in an amount greater than the compensation received by the trustee for serving the Corporation during the year of such breach if such breach does not (A) involve a knowing and culpable violation of law by such trustee, (B) enable such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) show a lack of good faith and conscious disregard for the duty of such trustee to the Corporation under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitute a sustained and

unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation. Any lawful repeal or modification of this Section 9 or the adoption of any provision inconsistent herewith by the Board of Trustees or Sole Member of the Corporation shall not, with respect to a person who is or was a trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith. The limitation of liability of any person who is or was a trustee provided for in this Section 9 shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law.

10. The Corporation shall provide its trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act and shall advance expenses to trustees consistent with Section 33-1119 of the Connecticut General Statutes. In furtherance of the foregoing, the Corporation shall indemnify its trustees against liability as defined in Section 33-1116(4) of the Connecticut General Statutes to any person for any action taken, or any failure to take any action, as a trustee, except liability that (A) involves a knowing and culpable violation of law by such trustee, (B) enables such trustee or an associate (as defined in Section 33-840 of the Connecticut General Statutes) to receive an improper personal economic gain, (C) shows a lack of good faith and conscious disregard for the duty of such trustee to the Corporation under circumstances in which such trustee was aware that his conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (D) constitutes a sustained and unexcused pattern of inattention that amounted to an abdication of such trustee's duty to the Corporation.

The Corporation may indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a trustee, or who is a trustee but is made a party to a proceeding in his or her capacity solely as an officer, employee or agent, to the same extent as the Corporation is permitted to provide the same to a trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut General Statutes.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code.

11. The Bylaws of the Corporation may be amended or repealed, and new Bylaws may be adopted, only with the approval of the Sole Member and YNHHSC.

Exhibit 2.1.5(c)(2)

VNA of Southeastern Connecticut Amended Bylaws

VISITING NURSE ASSOCIATION OF SOUTHEASTERN CONNECTICUT, INC.

AMENDED AND RESTATED BYLAWS

Amended and Restated as of _____, 201__

TABLE OF CONTENTS

ARTICLE I. NAME AND GENERAL PURPOSES 1
Section 1.1 Name 1
Section 1.2 General Purposes 1
ARTICLE II. MEMBERSHIP 1
Section 2.1 Member 1
Section 2.2 Rights, Powers and Privileges 1
Section 2.3 Liability and Reimbursement of Expenses 2
ARTICLE III. BOARD OF TRUSTEES 2
Section 3.1 Powers and Duties 2
Section 3.2 Composition 4
Section 3.3 Number 4
Section 3.4 Election of Trustees 4
Section 3.5 Term and Term Limits 4
Section 3.6 Resignation 5
Section 3.7 Removal 5
Section 3.8 Vacancies 5
Section 3.9 Meetings 6
Section 3.10 Notice of Meetings 6
Section 3.11 Waiver of Notice 6
Section 3.12 Action by Unanimous Written Consent 6
Section 3.13 Participation by Conference Call 6
Section 3.14 Quorum and Voting 7
ARTICLE IV. OFFICERS 7
Section 4.1 Officers 7
Section 4.2 Election and Term of Office 7
Section 4.3 Powers 7
Section 4.4 Resignation and Removal 8
Section 4.5 Vacancies 8
Section 4.6 Other Officers 8
ARTICLE V. COMMITTEES 9
Section 5.1 Classification 9
Section 5.2 Appointment of Committee Members 9
Section 5.3 Committee Governance 9
Section 5.4 Standing Committees 9
Section 5.5 Other Committees 10
Section 5.6 Powers of Committees 10
ARTICLE VI. INDEMNIFICATION 11
ARTICLE VII. CONFLICTS OF INTEREST 11
ARTICLE VIII. MISCELLANEOUS PROVISIONS 11
Section 8.1 Fiscal Year 11
Section 8.2 Execution of Deeds and Contracts 11
Section 8.3 Execution of Negotiable Instruments 11

ARTICLE IX. AMENDMENTS 11
EXHIBIT A 12
EXHIBIT B 14

VISITING NURSE ASSOCIATION OF SOUTHEASTERN CONNECTICUT, INC.
AMENDED AND RESTATED BYLAWS

ARTICLE I. NAME AND GENERAL PURPOSES

Section 1.1 Name. The name of the corporation is **Visiting Nurse Association of Southeastern Connecticut, Inc.** (the "Corporation").

Section 1.2 General Purposes. The purposes of the Corporation shall be as set forth in the Corporation's Certificate of Incorporation as in effect from time to time. These Bylaws, the powers of the Corporation, its member, trustees and officers, and all matters concerning the conduct and regulation of the affairs of the Corporation shall be subject to the Certificate of Incorporation.

ARTICLE II. MEMBERSHIP

Section 2.1 Member. The Corporation shall have a single member, Lawrence + Memorial Corporation (the "Member").

Section 2.2 Rights, Powers and Privileges. The Member shall have all the rights, powers and privileges usually or by law accorded to the member of a Connecticut nonstock, nonprofit corporation under the Connecticut Revised Nonstock Corporation Act as may be amended from time to time (the "Nonstock Act") and not conferred thereby or by the Certificate of Incorporation or these Bylaws upon the Board of Trustees of the Corporation (the "Board"), including the right to elect the members of the Board in accordance with these Bylaws. If and to the extent that actions by the Member cannot be taken without the approval of the sole member of the Member, Yale-New Haven Health Services Corporation ("YNHHSC"), or actions have been reserved to YNHHSC, the Member may take such actions only as directed by YNHHSC.

Notwithstanding anything in these Bylaws to the contrary:

(a) Neither the Board, nor any officer or employee of the Corporation, may take any of the actions set forth in Exhibit A or Exhibit B of these Bylaws, nor may the Board or any officer or employee of the Corporation approve the taking of any such action by an Affiliate (as hereafter defined), except that, with respect to the actions on Exhibit A, the Board's recommendation may be requested by the Member and YNHHSC consistent with Section 3.1(a) below. For purposes hereof, an "Affiliate" of the Corporation shall mean, unless otherwise determined by the YNHHSC, any entity which at the time Affiliate status is being determined is directly or indirectly controlling or controlled by or under the direct or indirect common control with the Corporation. "Control" shall mean the legal power to (a) elect or cause the election of a majority of the governing body of the subject entity, or (b) direct or cause the direction of the subject entity's operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means.

(b) In addition to the rights reserved to the Member and YNHHSC to take the actions set forth in Exhibit A on behalf of and in the name of the Corporation, directly and without

the approval or the recommendation of the Board, YNHHSC (or the Member, acting on the direction of YNHHSC) expressly retains the rights to take the actions set forth in Exhibit B on behalf of and in the name of the Corporation, directly and without the approval or the recommendation of the Board or the Member of this Corporation.

(c) The Board shall have the authority, from time to time, to delegate to the Member and YNHHSC any rights, powers and privileges that would otherwise be exercised by the Board to the fullest extent permitted by applicable law.

Section 2.3 Liability and Reimbursement of Expenses. Unless the Member expressly agrees otherwise in writing, the Member shall not be liable for the debts or obligations of the Corporation. The Member may be reimbursed for expenses reasonably incurred on behalf of the Corporation.

ARTICLE III. BOARD OF TRUSTEES

Section 3.1 Powers and Duties. Subject to the powers retained by, conferred upon, or reserved to the Member or YNHHSC by law or under these Bylaws, the Board shall have charge, control and management of the affairs, property and funds of the Corporation in the manner and subject to the limitations set forth in these Bylaws. Each Trustee shall discharge his or her duties in good faith with the care an ordinarily prudent person in like position would exercise under similar circumstances and in a manner he or she reasonably believes to be in the best interests of the Corporation.

The Board shall have among its duties those duties required to be exercised by the governing body by applicable regulatory, licensing or accreditation agencies, including the duties set forth in Section 19-13-D67 of the Regulations of Connecticut State Agencies.

Without limiting the generality of the foregoing, and subject to Section 2.2 and Exhibit A and Exhibit B of these Bylaws, the Board may:

(a) Make the following recommendations to the Member and YNHHSC:

(i) Recommend to the Member and YNHHSC the philosophy, mission and values of the Corporation and any changes thereto;

(ii) Recommend to the Member and YNHHSC the Corporation's strategic plans;

(iii) Recommend to the Member and YNHHSC the Corporation's annual operating and financial targets, major clinical and/or financial initiatives, and financial plans (including capital and operating budgets);

(iv) Recommend to the Member and YNHHSC the sale, transfer or substantial change in use of all or substantially all of the assets, the divestiture, dissolution and/or disposition of assets, closure, merger, consolidation, change in corporate membership or ownership or corporate reorganization of the Corporation or any Affiliate;

(v) Recommend to the Member and YNHHSC the formation or acquisition by the Corporation of any Affiliates or any other new direct or indirect subsidiaries, joint ventures or affiliations;

(vi) Recommend to the Member and YNHHSC the introduction or termination of any services to be offered by the Corporation not otherwise included in an approved budget or a strategic or financial plan; and

(vii) Recommend to the Member and YNHHSC changes to the Corporation's Certificate of Incorporation and Bylaws.

(b) Make the following recommendations to the Member:

(i) Recommend to the Member approval of any consent decree or settlements from state and federal authorities;

(ii) Recommend to the Member nominations for and removal of Trustees of the Corporation; and

(iii) Recommend to the Member the appointment and evaluation of the President of the Corporation.

(c) Take the following actions:

(i) Annually assess the Corporation's performance against approved budgets, initiatives and strategic plans adopted by the Member and YNHHSC;

(ii) Except for the President of the Corporation, elect officers of the Board (following consultation with the Member's Nominating and Governance Committee in accordance with Section 4.2 of these Bylaws) and remove from office any officer (except for the President of the Corporation) with or without cause (in accordance with Section 4.4(b) of these Bylaws);

(iii) Approve any business transaction or contract that is not otherwise included in an approved budget or a strategic or financial plan, except for long-term or material agreements that require the approval of the Member and YNHHSC in accordance with Exhibit A;

(iv) Periodically assess the Corporation's Quality Initiatives, including tracking and reporting on the Corporation's performance under quality measures, quality and patient safety programs and initiatives, patient satisfaction and cultural competence initiatives;

(v) Periodically assess the Corporation's Development Plans and its Planned Giving Plans;

(vi) Periodically assess the Corporation's Community Relations Initiatives and Community Outreach Programs; and

(vii) Evaluate the Board's performance.

Section 3.2 **Composition**. The Board shall consist of two classes of voting Trustees, the Elected Trustees and the Ex Officio Trustees (collectively, the "Trustees").

(a) **Elected Trustees**. Elected Trustees shall be the persons elected by the Member for terms as set forth in these Bylaws, following nomination and approval pursuant to Section 3.4 of this Article III. Elected Trustees will represent a cross section of major segments of the community served by the Corporation and shall be selected, on the basis of demonstrated skill and ability, for their potential contribution to the governance of the affairs of the Corporation.

(b) **Ex Officio Trustees**. In addition to the Elected Trustees, there shall be the following Ex Officio Trustees, each of whom shall serve automatically by virtue of and while holding the designated office:

(i) the President/Chief Executive Officer of YNHHSC (or his or her designee);

(ii) the President of the Member; and

(iii) the President of the Corporation.

Ex Officio Trustees shall be counted in determining the presence of a quorum and shall have the right to vote on all matters that come before the Board.

Section 3.3 **Number**. The Board shall consist of no fewer than six (6) nor more than ten (10) Trustees, such number to be determined from time to time by the Member.

Section 3.4 **Election of Trustees**. At the annual meeting of the Member, the Member shall elect successors to the Elected Trustees whose terms are then expiring. The Member shall elect such successors from among the nominees presented by the Board; provided, however, that in the event the Member does not elect any such nominee, the Board shall present a different nominee to the Member for election; and provided further that in the event any such successor nominee is not elected by the Member within ninety (90) days following the original nomination, the Member may solicit alternative nominees or elect its own nominee. In all events, the Elected Trustees shall be individuals who meet the requirements set forth in Section 3.2(a) of this Article III and who are satisfactory to YNHHSC.

Section 3.5 **Term and Term Limits**. There shall be three (3) classes of Elected Trustees, with approximately one-third of the Elected Trustees in each class, and the terms of all Trustees in the same class shall expire at the adjournment of the same annual meeting of the Member at which Trustees are elected. Elected Trustees shall take office at the close of the meeting of the Member at which they were elected or at such later date as may be established by the Member and, subject to Section 3.6 of this Article III, shall hold office for a term of three (3) years and until a successor is duly elected and qualified.

Notwithstanding anything herein to the contrary:

(a) No person shall be elected a Trustee for a term beginning after the date of his or her seventy-sixth birthday, provided that an Elected Trustee who is seventy-six (76) years of age or older may be re-elected for another term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(b) An Elected Trustee who has served three (3) consecutive full terms (provided that for the purposes of this Section 3.5 a term of service of more than one-half of a full term shall be considered a full term) shall not be eligible for re-election for a period of one year, provided that a Trustee may be re-elected for an additional consecutive term if (i) the Trustee is also elected as an officer of the Corporation or appointed chair of a standing committee at the beginning of such additional term; or (ii) the Member determines that additional service is appropriate due to the Trustee's unique expertise and commitment to the Board, which such determination shall be made only in limited circumstances and shall be made prior to each proposed re-election after the Trustee's completion of three (3) consecutive full terms. In the instance of re-election as a Trustee for an additional term as provided in clause (i) of the foregoing sentence, Board membership shall be coterminous with said Trustee's service as an officer or committee chair.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to an Elected Trustee in the event such Trustee also serves as a trustee of YNHHSC at the time such person is elected to serve as an Elected Trustee for a term otherwise prohibited by such paragraphs (a) and (b). In the instance of re-election as a Trustee for an additional term as provided in this paragraph (c), Board membership shall be coterminous with said Trustee's service as a trustee of YNHHSC.

Section 3.6 Resignation. Any Elected Trustee may resign at any time by giving written notice of such resignation to the Secretary of this Corporation. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective. Any Ex Officio Trustee who for any reason ceases to hold the office or position from which his or status as an Ex Officio Trustee derives shall automatically be deemed to have resigned as a Trustee of the Corporation and from any position held by virtue of such office with any Affiliate.

Section 3.7 Removal. One or more Elected Trustees may be removed from the Board with or without cause by action of the Member, which action may be taken upon its own initiative or upon the recommendation of the Board. The Member shall remove an Elected Trustee at the direction of YNHHSC.

Section 3.8 Vacancies. In the event of the death, resignation or removal of an Elected Trustee, the vacancy resulting therefrom may be filled only by the Member in accordance with Section 3.4 of these Bylaws. An individual elected to fill a vacancy shall serve the remainder of

the term of the trustee replaced.

Section 3.9 Meetings.

(a) **Annual Meetings**. The annual meeting of the Board shall be held on such date and time as the Chair of the Board shall designate.

(b) **Regular Meetings**. Regular meetings of the Board shall be held at least quarterly or more frequently as needed on such dates and at such times and places as the Chair shall designate.

(c) **Special Meetings**. Special meetings of the Board may be called at any time by the Chair or President and shall be called upon the written request of any three (3) Trustees.

Section 3.10 Notice of Meetings. Notice of the date, time and place of any meeting of the Board shall be given to each Trustee and to the Member at least five (5) days in advance of the meeting, except that no notice need be given of a regular meeting held in accordance with a schedule established at the beginning of the fiscal year and provided to the Board in writing. Any notice of a meeting required under these Bylaws may be communicated to a Trustee in person, by mail or other delivery service, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic email address at which a Trustee has consented to receive notice. Notice to the Member shall be directed to the President of the Member and may be provided in person, by mail, or by telephone, facsimile or other electronic means, including electronic mail directed to an electronic mail address at which the President of the Member has consented to receive notice.

Section 3.11 Waiver of Notice. Notice of any meeting of the Board may be waived in writing by all the Trustees and, if any Trustee present at a meeting of the Board does not protest prior to or at the commencement of the meeting the lack of proper notice, he or she shall be deemed to have waived notice of such meeting.

Section 3.12 Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all the Trustees unanimously consent to such action in writing. Such written consent(s) shall be filed with the minutes of the Corporation and shall have the same force and effect as a vote of Trustees at a duly convened meeting. For purposes of this section, a Trustee may evidence his or her consent with any manual, facsimile, conformed or electronic signature, including an email communication from the Trustee to the Corporation from an email address provided by the Trustee to the Corporation.

Section 3.13 Participation by Conference Call. The members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment (including, without limitation, video conferencing equipment) affording all persons participating in the meeting the ability to hear one another, and such participation in the meeting by means of such equipment shall constitute presence in person at such meeting.

Section 3.14 **Quorum and Voting**. A majority of the number of Trustees in office at the time shall constitute a quorum for the transaction of business at all meetings of the Board, provided that if less than a majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time without further notice. The act of a majority of the Trustees present at a meeting at which a quorum is present at the time of the act shall be the act of the Board, unless the act of a greater number is required by these Bylaws, by the Certificate of Incorporation or by law. Notwithstanding the foregoing, in the event that any Trustee has a conflict of interest with respect to any transaction to be undertaken by the Corporation, such transaction shall require the approval of the Board or the Member consistent with Article VII.

ARTICLE IV. OFFICERS

Section 4.1 **Officers**. The officers of the Corporation shall consist of a President, a Chair, one or more Vice Chairs, a Secretary, a Treasurer and such other officers as may be appointed from time to time consistent with Section 4.6. The Chair, any Vice Chair, the Secretary and the Treasurer shall be selected from among members of the Board of Trustees.

Section 4.2 **Election and Term of Office**. The President shall be appointed in accordance with Section 4.3(a) of this Article IV. The Chair, Vice Chairs, Secretary and Treasurer shall be nominated in consultation with the Nominating and Governance Committee of the Member and elected annually by the Board for a term of one year and until their successors are duly elected and qualified. The Board may create and fill such other offices as it deems necessary consistent with Section 4.6.

Section 4.3 **Powers**. The officers shall have the powers and perform the duties commonly incident to their respective offices, including the powers and duties listed below.

(a) **President**. The President of the Corporation shall be appointed by the Member, following consultation with the Board and with the approval of YNHHSC. The appointed President shall serve at the pleasure of the Member and YNHHSC.

The President shall be a person who in the judgment of the Member and YNHHSC has the combination of education, experience, professional standards and demonstrated leadership ability to fulfill successfully the responsibilities of the position and to command the confidence and respect of the Board, Corporation personnel, YNHHSC and the community.

The President shall serve as the Administrator of the home health care agency operated by the Corporation and shall possess the qualifications specified in any applicable laws and regulations for the administrator of a home health care agency. The Administrator shall have full authority and responsibility to plan, staff, direct and implement the programs and manage the clinical affairs of the corporation and such other duties and responsibilities as are specified by the Public Health Code.

The President shall be delegated the responsibility for overall management of the Corporation and shall have all authority necessary to carry out this responsibility, subject only to such policies as may be adopted by the Board. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally delegated some

other person to so act. The duties, responsibilities and authority of the President shall be defined in a written statement adopted by the Member in consultation with the Board and with the approval of YNHHSC.

The President shall be a voting member of all standing committees except as otherwise specified in these Bylaws. The President shall report to the President of the Member (or his or her designee) as well as to the Board.

(b) **Chair**. The Chair of the Board shall preside at meetings of the Board and shall be a voting member of all committees except the Governance Committee. The Chair shall perform such other duties as the Board may from time to time prescribe.

(c) **Vice Chair**. The Board shall designate one or more Vice Chairs, who shall exercise the powers and duties of the Chair during absence or disability. The Vice Chair(s) shall perform such other duties as the Board or the Chair may from time to time prescribe.

(d) **Secretary**. The Secretary shall have the custody of the records of the Corporation pertaining to the Secretary's office; shall keep minutes of the meetings of the Board, and shall cause notice of such meetings to be given as required by law or these Bylaws. The Secretary shall perform such other duties as the Board or the Chair may from time to time prescribe.

(e) **Treasurer**. The Treasurer of the Corporation shall be responsible for the safekeeping of all funds and securities of the Corporation, shall see that proper records showing all financial transactions of the Corporation are maintained, and shall present financial reports to the Board.

Section 4.4 Resignation and Removal.

(a) An officer of the Corporation may resign at any time by giving written notice of such resignation to the Secretary. Such resignation shall be effective at the time specified in the notice, or if no time is specified, upon receipt by the Secretary. The acceptance of such resignation shall not be necessary to make it effective.

(b) The Board may remove from office any officer with or without cause; provided, however, that the President of the Corporation may be removed from office by the Member at the direction of YNHHSC following consultation with the Board. Removal of an officer shall be without prejudice to the officer's contract rights, if any.

Section 4.5 Vacancies. In the case of the death, resignation or removal of any officer, except the President, the vacancy may be filled by the Board of Trustees for the unexpired term. A vacancy in the office of President shall be filled in accordance with Section 4.3(a).

Section 4.6 Other Officers. The Corporation may have such other officer or officers, including assistant officers, as the Board may from time to time determine. Any such officer or assistant officer shall be appointed or elected in the manner and for the term determined by the Board, and the officer shall have the duties assigned by the Board.

ARTICLE V. COMMITTEES

Section 5.1 **Classification**. There shall be such standing committees as are provided for in this Article V and such other committees as shall be established by Board resolution from time to time. Standing committees shall have the powers and duties set forth in this Article V and in a charter approved by the Board. Other committees shall have the powers and duties set forth in the resolution establishing them and in a charter approved by the Board. Each committee shall periodically review its charter and revise it as necessary; provided, however, that no amendment shall become effective until approved by the Board.

Section 5.2 **Appointment of Committee Members**. Except as otherwise provided in these Bylaws, members and chairs of all standing committees shall be appointed by the Board. All such committee members and chairs shall serve at the pleasure of the Board until the next annual meeting of the Board and until their successors shall be chosen. Unless otherwise provided, individuals who are not Trustees may be appointed to committees and each such person so appointed shall have a vote and be included for purposes of determining a quorum; provided, however, that if a committee is authorized to act on behalf of the Board, any such action must be approved by a majority of the committee members who are Trustees.

Section 5.3 **Committee Governance**.

(a) **Quorum and Voting**. A majority of the committee members shall constitute a quorum at committee meetings except as otherwise provided in these Bylaws. The act of a majority of the committee members present at a meeting at which a quorum is present at the time of the act shall be the act of such committee, unless the act of a greater number is required by these Bylaws, by resolution of the Board or by law.

(b) **Meetings**. Except as otherwise provided in these Bylaws or by resolution of the Board, each committee shall establish its own rules and procedures and shall fix the time and place of its meetings. Each committee shall keep minutes of its meetings which shall be made available to the Board upon request.

Section 5.4 **Standing Committees**.

(a) **Executive Committee**. The Corporation shall not have an Executive Committee.

(b) **Professional Advisory Committee**. The Professional Advisory Committee shall consist of the President (or his or her designee), a member of the Board approved by YNHHSC, the Health Director of one or more of the communities served by the Corporation, a representative designated by the Member, and at least the following (the "Professional Members"): one public health nurse, one physician, one social worker and one representative from one of the skilled therapy services offered by the Corporation. All Professional Members must be actively engaged in their professions or have been so engaged within the previous five (5) years. The President (or his or her designee) and the representative designated by the Member shall serve as non-voting members of the committee. The representative designated by the Member shall serve as the chairperson and

the President (or his or her designee) shall serve as the secretary of the committee. Additional members may be appointed by the Board from time to time. Members appointed by the Board shall serve for terms of two (2) years. In order to provide continuity within the committee, terms may be staggered as the Board deems appropriate. The committee shall hold at least two (2) meetings annually. Written minutes of each meeting shall be recorded and presented to the Board at its next regular meeting. No members of the Professional Advisory Committee shall be an employee of the Corporation or related to an employee, including by marriage, unless, in the case of an employee, the employee serves ex-officio without the right to vote. All proceedings of the Professional Advisory Committee shall be made available upon request to the Commissioner of the State of Connecticut Department of Public Health.

The Professional Advisory Committee shall:

(1) Participate in the Corporation's Quality Assurance Program to the extent defined in that Program's policies;

(2) Recommend and at least annually review Corporation policies on the scope of services offered and discharge criteria; medical and dental supervision and plans of treatment; clinical records; personnel qualifications; quality assurance activities; standards of care and professional issues relating to the delivery of services and the findings of the Quality Assurance Program; and

(3) Perform such other duties as the Board may assign to it from time to time.

Section 5.5 Other Committees. The Board may establish and appoint ad-hoc committees from time to time as the Board may deem necessary to carry out special fund raising events or other initiatives of the Board. Such committees may not exercise the authority of the Board, and any acts taken by them shall be solely advisory in nature. The members and chairs of each such committee shall be appointed by the Board, and each such committee shall consist of at least one (1) Trustee and two (2) other individuals who may or may not be Trustees. Each such committee shall be chaired by a Trustee of the Board. Committee members shall serve at the pleasure of the Board and until their successors are elected.

Section 5.6 Powers of Committees. No committee established by the Board shall have power to fill vacancies on the Board or on any of its committees, to amend the Certificate of Incorporation of the Corporation or these Bylaws, to approve a plan of merger, to approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation other than in the usual and regular course of affairs of the Corporation, to approve a proposal to dissolve, or to authorize any other action inconsistent with the Certificate of Incorporation or these Bylaws. All committees shall act in an advisory capacity only and shall have no power or authority to bind the Corporation, unless expressly authorized by the Board.

ARTICLE VI. INDEMNIFICATION

The Corporation shall indemnify and defend the Corporation's Trustees, officers and employees as set forth in the Certificate of Incorporation.

ARTICLE VII. CONFLICTS OF INTEREST

The Trustees and officers of the Corporation shall comply with any Conflicts of Interest policy adopted by the Corporation, as any such policy may be amended from time to time, and with the provisions of the Nonstock Act related to disclosure and approval of "Director's conflicting interest transactions" (as such term is defined in the Nonstock Act). Consistent with the requirements of the Nonstock Act, any "Director's conflicting interest transaction" shall, when possible, be approved and authorized by either (i) the Member or (i) a majority of the disinterested Trustees voting on the transaction at a meeting at which a majority (but no fewer than two (2)) of all disinterested Trustees on the Board shall constitute a quorum, in each case following any required disclosure of the facts of the conflicting interest transaction.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.1 **Fiscal Year**. The fiscal year of the Corporation shall begin on the first day of October and end on the last day of September in each year unless the Board of Trustees shall otherwise determine.

Section 8.2 **Execution of Deeds and Contracts**. Except as otherwise directed by the Board, all deeds and mortgages made by the Corporation and all other written contracts, agreements and undertakings to which the Corporation shall be a party shall be executed in its name by the President or such other officers or officers as may be specified by the Board or authorized by the President.

Section 8.3 **Execution of Negotiable Instruments**. All checks, drafts, notes, bonds, bills of exchange and orders for the payment of money shall be signed by the President or such officer or officers of the Corporation as the Board may specify from time to time.

ARTICLE IX. AMENDMENTS

Except as otherwise provided by the Certificate of Incorporation or by law, and subject to approval by YNHHSC, these Bylaws may be amended, altered, or repealed by the Member.

EXHIBIT A

Actions Requiring Approval of the Member and YNHHSC

Notwithstanding anything in these Bylaws to the contrary, the following actions may only be taken on the approval of the Member and YNHHSC, without the approval of the Board of this Corporation:

A. Merger, consolidation, reorganization or dissolution of this Corporation or any Affiliate or the creation or acquisition of an interest in any corporate entity, including joint ventures;

B. Amendment or restatement of the Mission, Certificate of Incorporation or the Bylaws of this Corporation or any Affiliate, or any new or revised "doing business as" name;

C. Adoption of operating and cash flow budgets of the Corporation or any Affiliate, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

D. Adoption of capital budgets and capital allocations of this Corporation or any Affiliate (pursuant to the authority delegated to this Corporation by YNHHSC to adopt such budgets within parameters established by YNHHSC);

E. Incurring aggregate operating or capital expenditures on an annual basis that exceed operating or capital budgets of the Corporation adopted by YNHHSC by a specified dollar amount to be determined from time to time by YNHHSC;

F. Long-term or material agreements including, but not limited to, equity financings, capitalized leases, operating leases and installment contracts; and purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any asset, real or personal, with a fair market value in excess of a dollar amount to be determined from time to time by YNHHSC, which shall not be less than 10% of the total annual capital budget of this Corporation;

G. Approval of any new relationships or agreements for undergraduate or graduate medical education programs or any material amendments to or terminations of existing agreements for undergraduate or graduate medical education programs;

H. Contracting with an unrelated third party for all or substantially all of the management of the assets or operations of this Corporation or any Affiliate;

I. Approval of major new programs and clinical services of this Corporation or any Affiliate or discontinuation or consolidation of any such program. YNHHSC shall from time to time define the term "major" in this context;

J. Approval of strategic plans of this Corporation or any Affiliate;

K. Adoption of safety and quality assurance policies not in conformity with policies established by YNHHSC;

L. Oversee the Corporation's management and investment of its permanent and temporarily restricted funds;

M. Approve any voluntary change to the federal income tax exemption granted by the IRS to the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

N. Initiate or consent to any form of insolvency proceeding undertaken by the Corporation or any direct or indirect subsidiary of the Corporation;

O. Approve any change in the name of the Corporation, and establish advertising, marketing and promotional policies applicable to the Corporation; and

P. Appointment of the President of this Corporation consistent with Section 4.3(a).

Nothing in these Bylaws shall be construed in a manner that is inconsistent with the authorities with respect to the Corporation that are reserved or retained by the Member of YNHHSC pursuant to these Bylaws and the Bylaws of the Member and of YNHHSC.

EXHIBIT B

Direct Authority Retained by YNHHSC

Notwithstanding anything in these Bylaws to the contrary, YNHHSC (or, where required by law, the Member acting at the direction of YNHHSC) retains authority to take the following actions on behalf of and in the name of this Corporation, directly and without the approval of the Board of this Corporation:

A. Adoption of targets for the annual operating and cash flow budgets of this Corporation and its Affiliates, including consolidated or combined budgets of this Corporation and all subsidiary organizations of the Corporation;

B. Adoption of targets for the annual capital budgets and capital allocations of this Corporation and any Affiliate;

C. Adoption of annual operating, cash flow and annual capital budgets for the Corporation and any Affiliate within the targets established by YNHHSC in the event of any failure of the Corporation to do so;

D. Issuance and incurrence of indebtedness on behalf of this Corporation;

E. Management and control of the liquid assets of this Corporation, including the authority to cause such assets to be funded to YNHHSC or as otherwise directed by YNHHSC; and

F. Appointment of the independent auditor for this Corporation and each Affiliate and the management of the audit process and compliance process and procedures for this Corporation and each Affiliate.

Other Major Activities

A. In addition, YNHHSC shall have the authority, except as otherwise provided by YNHHSC and after consultation with the Member, to require the prior review and approval of those activities of this Corporation or any subsidiary or affiliate entity that YNHHSC determines to be "major activities."

B. "Major activities" shall be those which YNHHSC by a vote of not less than two-thirds (2/3) of its Board of Trustees has declared major, by written notice to the Member, delivered personally or transmitted by registered or certified mail return receipt requested. Such notice shall specifically identify the matter or matters requiring approval of YNHHSC, and shall refer to this Bylaw provision granting such approval rights to YNHHSC. Notices received pursuant to this section shall be recorded in the minutes of the Member and of this Corporation, and shall be filed with the minutes of the Member and of this Corporation.

Exhibit 2.11

Key Financial Metrics

Key Financial Metrics

($ in thousands)

	Projected FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total FY2016-2020
*L+M as a Yale New Haven Health System Member **							
Operating Margin	-2.2%	-1.3%	2.6%	3.4%	2.9%	3.5%	
Investments	$ 24,200	$ 53,912	$ 28,950	$ 29,950	$ 31,788	$ 32,000	$ 176,600
Days Cash on Hand	155	151	167	182	193	207	
Pension Funding %	70%	74%	78%	81%	84%	87%	

* Metrics incorporate the initial YNHHS investment of approximately $41 million.

Exhibit 5.1.18

Consent Communications

All communications requesting YNHHSC consent, as set forth in Section 5.1.18, shall be sent to:

Gayle Capozzalo
Executive Vice President and Chief Strategy Officer
Yale New Haven Health System
789 Howard Avenue
New Haven, CT 06519
Phone: (203) 688-2605
E-mail: gayle.capozzalo@ynhh.org

with a copy to:

William J. Aseltyne, Esq.
Senior Vice President and General Counsel
Yale New Haven Health System
789 Howard Avenue
New Haven, CT 06519
Phone: (203) 688-2291
E-mail: bill.aseltyne@ynhh.org

Exhibit 5.5

Allocation of Certain Costs and Expenses

Consultant	L+M	YNHHSC
1. Charles River Associates	50% of fees (up to total fees of $250,000, such that L+M maximum obligation shall not exceeds $125,000)	50% of fees (up to total fees of $250,000) plus 100% of any fees in excess of $250,000
2. Deloitte Corporate Finance LLC	50% of fees incurred prior to receiving a Second Request, if any, from the Federal Trade Commission, the Department of Justice or any other Governmental Authority with respect to the Hart-Scott-Rodino Filing process or any other applicable Competition Laws; and 0% of fees incurred from and after receiving such Second Request	50% of fees incurred prior to receiving a Second Request, if any, from the Federal Trade Commission, the Department of Justice or any other Governmental Authority with respect to the Hart-Scott-Rodino Filing process or any other applicable Competition Laws; and 100% of fees incurred from and after receiving such Second Request
3. Deloitte Consulting LLP	0% of fees accrued during the period after the Effective Date	100% of fees accrued during the period after the Effective Date
4. Other Jointly Retained Consultants	0% of fees	100% of fees
5. Attorneys' Fees	Except as provided in item 6 of this Exhibit 5.5, each party will be responsible for its own legal fees. However, as mutually agreed upon, YNHHSC will assume responsibility for any legal fees associated with jointly retained counsel.	Except as provided in item 6 of this Exhibit 5.5, each party will be responsible for its own legal fees. However, as mutually agreed upon, YNHHSC will assume responsibility for any legal fees associated with jointly retained counsel.
6. Attorneys' Fees if certain closing conditions are not satisfied at termination under	If the Affiliation Agreement is terminated pursuant to Section 8.1(b) due to a condition of closing under	YNHHSC will be responsible for its own third party professional fees (except as otherwise contemplated by

Section 8.1(b)	Section 6.5 or Section 7.5 not being satisfied despite the compliance by L+M with its covenants in Section 5.1.8, then notwithstanding items 5 of this Exhibit 5.5, YNHHSC will reimburse L+M for its third party professional fees accrued during the period after the Effective Date up to a maximum amount of $2,000,000 (Two Million Dollars).	items 1 and 2 of this Exhibit 5.5).

Exhibit 16

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Bureau of Competition
Premerger Notification Office

August 10, 2015

David A Martland, Esq.
Nixon Peabody LLP, (BO)
100 Summer Street
Boston, MA 02110-2131 USA

Re: Premerger Notification Transaction Number: 20151460
Lawrence + Memorial Corporation

Dear Mr. Martland:

The Premerger Notification Office of the Federal Trade Commission and the Antitrust Division of the Department of Justice have received completed Notification and Report Forms from all parties with respect to the proposed acquisition by Yale-New Haven Health Services Corporation of certain assets of Lawrence + Memorial Corporation. The waiting period required by Section 7A(b)(1) of the Clayton Act, 15 U.S.C. Section 18a(b)(1), will commence and expire on the dates listed below, unless extended by a request for additional information or documentary material, pursuant to 16 C.F.R. Section 803.20, or, if requested by either person, early termination of the waiting period is granted pursuant to 16 C.F.R. Section 803.11.

Waiting Period Commences: August 7, 2015
Waiting Period Expires: September 8, 2015 at 11:59pm

If you have any questions concerning this matter, please contact the Premerger Notification Office at (202) 326-3100.

Sincerely,

Nora Whitehead
Staff Attorney

FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

Premerger Notification and the Merger Review Process

Under the Hart-Scott-Rodino (HSR) Act, parties to certain large mergers and acquisitions must file premerger notification and wait for government review. The parties may not close their deal until the waiting period outlined in the HSR Act has passed, or the government has granted early termination of the waiting period. The FTC administers the premerger notification program, and its staff members answer questions and maintain a website with helpful information about how and when to file. The FTC also provides daily updates of deals that receive early termination.

Steps in the Merger Review Process

Step One: Filing Notice of a Proposed Deal

Not all mergers or acquisitions require a premerger filing. Generally, the deal must first have a minimum value and the parties must be a minimum size. These filing thresholds are updated annually. In addition, some stock or asset purchases are exempt, as are purchases of some types of real property. For further help with filing requirements, see the FTC's Guides to the Premerger Notification Program. There is a filing fee for premerger filings.

For most transactions requiring a filing, both buyer and seller must file forms and provide data about the industry and their own businesses. Once the filing is complete, the parties must wait 30 days (15 days in the case of a cash tender offer or a bankruptcy) or until the agencies grant early termination of the waiting period before they can consummate the deal.

Step Two: Clearance to One Antitrust Agency

Parties proposing a deal file with both the FTC and DOJ, but only one antitrust agency will review the proposed merger. Staff from the FTC and DOJ consult and the matter is "cleared" to one agency or the other for review (this is known as the "clearance process"). Once clearance is granted, the investigating agency can obtain non-public information from various sources, including the parties to the deal or other industry participants.

Step Three: Waiting Period Expires or Agency Issues Second Request

After a preliminary review of the premerger filing, the agency can:

1. terminate the waiting period prior to the end of the waiting period (grant Early Termination or "ET");
2. allow the initial waiting period to expire; or

3. issue a Request for Additional Information ("Second Request") to each party, asking for more information.

If the waiting period expires or is terminated, the parties are free to close their deal. If the agency has determined that it needs more information to assess the proposed deal, it sends both parties a Second Request. This extends the waiting period and prevents the companies from completing their deal until they have "substantially complied" with the Second Request and observed a second waiting period. A Second Request typically asks for business documents and data that will inform the agency about the company's products or services, market conditions where the company does business, and the likely competitive effects of the merger. The agency may conduct interviews (either informally or by sworn testimony) of company personnel or others with knowledge about the industry.

Step Four: Parties Substantially Comply with the Second Requests

Typically, once both companies have substantially complied with the Second Request, the agency has an additional 30 days to review the materials and take action, if necessary. (In the case of a cash tender offer or bankruptcy, the agency has 10 days to complete its review and the time begins to run as soon as the buyer has substantially complied.) The length of time for this phase of review may be extended by agreement between the parties and the government in an effort to resolve any remaining issues without litigation.

Step Five: The Waiting Period Expires or the Agency Challenges the Deal

The potential outcomes at this stage are:

1. close the investigation and let the deal go forward unchallenged;
2. enter into a negotiated consent agreement with the companies that includes provisions that will restore competition; or
3. seek to stop the entire transaction by filing for a preliminary injunction in federal court pending an administrative trial on the merits.

Unless the agency takes some action that results in a court order stopping the merger, the parties can close their deal at the end of the waiting period. Sometimes, the parties will abandon their plans once they learn that the agency is likely to challenge the proposed merger.

In many merger investigations, the potential for competitive harm is not a result of the transaction as a whole, but rather occurs only in certain lines of business. One example would be when a buyer competes in a limited line of products with the company it seeks to buy. In this situation the parties may resolve the concerns about the merger by agreeing to sell off the particular overlapping business unit or assets of one of the merging parties, but then complete the remainder of the merger as proposed. This allows the procompetitive benefits of the merger to be realized without creating the potential for anticompetitive harm. Many merger challenges are resolved with a consent agreement between the agency and the merging parties.

Exhibit 17

EXHIBIT 17

INDEX

Hospital Entity	BATES NUMBERS
Westerly Hospital	DOHC1208A01-A05
Lawrence – Memorial Hospital	DOHC1208A06-A13
Greenwich Hospital	DOHC1212-1218
Bridgeport Hospital	DOHC1219-1220
Yale-New Haven Hospital	DOHC1221-1223 DOHC1232-1252
Yale-New Haven Care Continuum Corporation d/b/a Grimes Center	DOHC1224-1229
Northeast Medical Group, Inc.	DOHC1230-1231

L+M and Hospital Entities

Westerly Hospital

Licensure or Certification Citations and/or Enforcement Actions

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)
September 18-20, 2013	DNV (Det Norske Veritas)	Deeming Accreditation Survey	Closed	Corrective action plan submitted and accepted
September 4-5, 2013	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted
November 4, 2013 (concluded)	RI DOH	Unannounced Survey, investigation of reportable events and patient complaints	Closed	Corrective action plan submitted and accepted
July 29-30, 2014	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted
June 20, 2015	CMS/RI DOH	Patient Safety Survey (Discharge Planning, Infection Prevention & Patient Safety)	Closed	No action plan required.
June 2, 2015 – June 4, 2015	TJC (The Joint Commission)	Deeming Accreditation Survey	Open	Corrective action plan submitted and accepted on August 3, 2015
April 8, 2013	College of American Pathologists (CAP)	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2013).
April 10, 2015	CAP	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2015).

Westerly Hospital

Licensure or Certification Citations and/or Enforcement Actions

DOHC1208A01

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
April 8, 2013	College of American Pathologists (CAP)	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2013).	Deficiencies involved the following standards: 1. Need for a complete procedure manual to be available at the workbench or in the work area. 2. Need for all reagents and media to be stored as recommended by the manufacturer. 3. The laboratory has a procedure for assessing its performance on PT challenges that were intended to be graded, but were not. 4. Need for the proficiency testing attestation statement to be signed by the laboratory director or designee and the individual performing the testing. 5. Need for a paper or electronic copy to be maintained for at least 2 years, recording initial date of use, and retirement date when a procedure is discontinued. 6. Need for criteria to be established for calibration verification. 7. Need for data evaluated a least annually to compare all results obtained for patient specimens analyzed in the multiple sampling modes of the CBC analyzer (e.g. "open" and "closed" modes) to ensure that they are in agreement. 8. Need for validation of the analytical measurement range (AMR) to be performed with matrix-appropriate materials, which include the low, mid and high range of the AMR, appropriate acceptance criteria are defined, and the process is documented. 9. Need for the laboratory's current CAP Activity Menu to accurately reflect the testing performed. 10. Need for Fire drills to be conducted at least annually. 11. Failure to have an adequate number of plumbed or self-contained emergency eyewash facilities in every area where there are hazardous chemicals 12. Need for a summary statement, signed by the laboratory director (or designee who meets CAP director qualifications), documenting the review

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
					of validation studies and approval of each test for clinical use. 13. For direct antigen tests on patient specimens the DO include internal controls, a positive and negative external control are tested and documented with each new kit lot number or separate shipments of a given lot number 14. Need for the transfusion service medical director to have established a documented protocol indicating under what circumstances additional testing will be done after a transfusion reaction, and the nature of that testing.
September 4-5, 2013	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted	Findings relate to the following standards: 1. PR.2 Patient Rights - Advance Directives: compliance with standards specific to advance directives. 2. Medical Records - failure to ensure complete medical records. 3. Quality Management System - ISO 9001:2008 Control of Documents: failed ensure updated policies, forms and procedures. 4. Quality Management System - Management Review: objective evidence could not be identified to ensure that all elements of management review were being analyzed. 5. Staffing Management - Staffing Evaluations, Restraint or Seclusion - Failed to document and ensure that employees received restraint or seclusion education and training 6. Medication Management - Management Services - anesthetic medication (Lidocaine injectable) maintained in unsecured manner. 7. Surgical - Operative Report - required element of post-operative note not on form. 8. ED.4: variation in interpretation of the policy for emergency response in off-sites, office-based imaging services vs. imaging services at the Westerly Hospital main campus. 9. Patient Rights - Restrain or Seclusion, Staff Training Requirements: education to the medical staff on policy changes was not done. 10. Physical Environment - Facility: several outdated facility management plans 11. Physical Environment - Safety Management System – failure of lead aprons to have identifying marks relating to a safety log.

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
November 4, 2013 (concluded)	RI DOH	Unannounced Survey, investigation of reportable events and patient complaints	Closed	Corrective action plan submitted and accepted	Findings Related to the following standards: 1. Organization & Management 12.2 Organization: Failed to follow policy and MSDS for Hazardous Materials. 2. Patient Care Services 19.1 Patient Care Management: failed to provide care and services in accordance with community standards related to hazardous materials and medication administration. 3. Patient Care Services Reportable Events: failed to report to the licensing agency with 72 hours, reportable incidents for 3 out of 6 relevant sampled patients.
July 29-30, 2014	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted	Findings relate to the following standards: 1. Quality Management System - Internal Audits: lack of evidence that internal audits were completed in 2013. 2. Quality Management System - Management Review: No management review in 2013. 3. Infection Prevention and Control System – findings involving storage of supplies, disinfection procedure of certain item and hand hygiene. 4. Staffing Management - Licensure & Certification- need for HR to report compliance of licensure and certification to Quality Oversight 5. Quality Management System - Quality Policy: need for updates to quality manual 6. Patient Rights - Grievance Procedure: two of three patient grievances resolved on the phone not followed up with a letter 7. Medical Records - Complete Medical Record: Failure to date and time records. 8. Physical Environment - Security Management System: no evidence of a current workplace violence policy.
April 10, 2015	CAP	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2015).	Deficiencies involved the following standards: 1. Need for appropriate maintenance and function checks to be performed and documented for all instruments (e.g. analyzers) and equipment (e.g. centrifuges) following a defined schedule, at least as frequent as specified by the manufacturer. 2. Need for a summary statement, signed by the laboratory director (or designee who meets CAP director qualifications), documenting the review of validation studies and approval of each test for clinical use.

DOHC1208A03

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
June 2, 2015 – June 4, 2015	TJC (The Joint Commission)	Deeming Accreditation Survey	Closed	Corrective action plan submitted and accepted on August 3, 2015	Findings Related to the following standards: 1. EC.02.03.05: for certain periods weekly fire pump documentation didn't include a run time for the electric pump, nor a recording of the suction or discharge pressures. 2. EP 19: Observed in Document Review at WH: The organization didn't include a test result or inventor of all air-handling units. 3. LS.01.02.01 (a) EP 1: The organization's interim life safety measure policy didn't address initiating a fire watch when a fire alarm or sprinkler system is out of service more than 4 hours 4. MM.04.01.01: Patient's sedation score was not documented as being assessed on certain day; unclear provider orders in PACU/ACU; conflicting pain control orders in ACC. 5. MM.05.01.07 - night shift staff performing admixture on vasopressors when the pharmacy is not open 6. PC.02.01.11 EP2: Emergency Intubation Box in crash cart not included in daily checks of emergency equipment. 7. PC.03.01.03 : Anesthesia plan for patient not documented 8. PC.01.03.07: Lack of evidence of post moderate sedation assessment evaluation prior to discharge of 2 patients from ED 9. RC.02.01.03: Failure of certain post procedure notes to contain all required elements. 10. APR.09.01.01: Patient rights documents failed to include notification of contacting The Joint Commission to report patient safety concerns and quality of care. 11. EC.02.02.01: Lack of DOT training records for individuals signing hazardous waste manifest 12. EC.02.05.09: patient stretcher blocking access to the piped medical gas shutoffs for OR 1. The medical gas shut-off valve located in the Bio-medical department wasn't labeled. 13. EC.02.06.01: EP 13: the airflow in a clean utility room was negative to the corridor. 14. IC.02.02.01, EP4: Surgical services must be consistent with needs and resources. Presence of expired medical supplies in an auxiliary cart. Unwrapped forceps

DOHC1208A04

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
					found in an adult and pediatric code cart when all other supplies individually wrapped. 15. LD.04.03.09, EP 5: During the review of documents for contracted services, the contract for interpretation of psychiatric consultation services did not have written expectations. 16. LS.02.01.20 , EP 13: 3 med- evac sleds stored the stairwell, boxes stored in the corridor 17. MS.08.01.01, EP3: Need for Focused Professional Practice Evaluation policy in Medical Staff Credentialing process 18. RC.01.01.01, in two instances physician order did not show time entered 19. UP.01.03.01, EP2: Flaw in time out process for RN who entered room after time out completed.
June 20, 2015	CMS/RI DOH	Patient Safety Survey (Discharge Planning, Infection Prevention & Patient Safety)	Closed	No action plan required.	No findings.

DOHC1208A05

Lawrence + Memorial Hospital

Licensure or Certification Citations and/or Enforcement Actions

DOHC1208A06

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
May 30, 2012	CMS	Deeming status survey (substantial allegation survey – response to complaint)	Closed	Corrective action plan submitted	Complaint of HIPAA violation investigated and resulted in no findings.
November 16, 2012	College of American Pathologists (CAP)	L+M lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (LM CAP 2012)	Deficiencies identified were corrected. Lab was reaccredited (LM CAP 2012) Deficiencies involved the following standards: 1. Availability of an appropriate thermometric standard device of known accuracy 2. Need for appropriate documented procedures for handling and cleaning glassware, including methods for testing for detergent removal. 3. Need for policies to prevent or reduce ultraviolet light exposure from instrument sources. 4. The laboratory has a procedure for assessing its performance on PT challenges that were intended to be graded, but were not 5. Labeling of reagents and solutions with required content
November 16, 2012	CAP	Pequot Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (PQ CAP 2012)	Deficiencies identified were corrected and lab was reaccredited (PQ CAP 2012) Deficiencies involved the following standard: 1. There are documented criteria for identifying samples that may give spurious reticulocyte results by the automated method.
January 10,2013	CT DPH	Unannounced survey	Closed	Corrective action plan submitted on June 3, 2013	Findings Related To: 1. Need to reflect that a mechanism was in place for oxygen tank maintenance at the Pequot ED facility

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
					2. Need to reflect that hospital disinfection procedure was followed for a piece of equipment. 3. Failure to respond in writing to four patient complaints in accordance with the hospital grievance policy. 4. Failure to obtain physician orders or ensure that physician orders were complete, comprehensive or medication was administered as ordered (several findings) 5. Lack of documentation to reflect care rendered per policy or as ordered (several findings) 6. Failure to assess, monitor or evaluate patient per policy, protocol or orders (several findings). 7. Failure to implement fall precautions or contact precautions; failure to ensure all staff adhere to practice for isolation precautions. 8. Facility failed to meet the minimum quorum for attendance at Medical Staff meetings for four of five meetings. 9. Failure to conduct surveys of the radiation hazard(s) for the Nuclear Medicine department, specifically during calendar year 2012. 10. Use of surge protectors/plug strips not approved for wet locations. 11. Failure to conduct preventive maintenance on sterilization equipment per required schedule 12. Lack of documentation of repair of certain fire/smoke dampers 13. Presence of a dummy drip chamber observed on the dialysis unit. 14. Failure to adhere to restraint policy in two patients. 15. Failure to include Quality improvement data for hemodialysis unit. 16. Failure to ensure safe side rail usage. 17. Facility failed to ensure that supplies were not expired and/or supplies were maintained at an acceptable temperature. 18. Facility failed to perform surgery in accordance with the informed consent.
February 2013	DPH	Pequot Lab inspection	Closed	No deficiencies identified. Lab issued license (DPH CERT PEQ X 3 15)	No deficiencies identified. Lab issued license (DPH CERT PEQ X 3 15)
March	DPH	L+M lab	Closed	No deficiencies	No deficiencies (DPH CER LM X2015)

DOHC1208A07

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
2013		inspection		(DPH CER LM X2015)	
April 16, 2013-April 19, 2013	JC (Joint Commission)	Deeming Accreditation Survey	Closed	Corrective action plan submitted and Hospital reaccredited	Findings relate to the following standards: 1. APR 01.03.01: Failed to notify TJC regarding closure of site (Old Saybrook) 2. EC.02.03.05: No documentation that showed test for a main drain was conducted, nor was there any documentation of any pressure readings. 3. EC 02.05.07: Generator testing was conducted by several different maintenance staff. One of the staff members only documented the switch used to start the generator. 4. EC.02.06.01: Psychiatric unit bathroom doors had a continuous hinge, the door handles hooked in a downward direction is a risk for SI patients. 5. EC 04.01.01: No evaluation of the 2011 Life Safety Management Plan. 6. IC 02.02.01: Findings involving process to disinfect probes and storage of laryngoscope blades 7. LS 02.01.20: Maintain integrity of the means of egress. 8. LS 02.01.30 and .35: The hospital provides and maintains building features to protect individuals from the hazards of the fire and smoke. Hospital maintains systems for extinguishing fires. 9. MS.03.01.01: Medical Staff policy failed to designate the qualifications for personnel using radiologic equipment and administering procedures. 10. MM 03.01.01: Findings around storage of medications. 11. MM 05.01.07: Findings around preparation of medications. 12. PC 01.02.03: The hospital assesses and reassesses the patient and his or her condition according to defined time frames. 13. PC 03.01.03: Findings around failure to document pre-sedation assessment and airway assessment 14. PC 03.01.07: Lack of completed post-anesthesia evaluation documented; evaluation does not contain required elements 15. RC 01.01.01: Failure to date and time records. 16. RC 02.01.03: Failure to complete post-operative note immediately following surgery 17. RC 02.01.07: The medical record failed to contain or update a summary list for each patient who receives continuing ambulatory care services.

DOHC1208A08

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
					18. CTS 01.04.01: Program had not implemented documentation of psychiatric advance directives. 19. CTS 02.01.11: Failure to complete nutritional screen on three patients during tracer activity. 20. EC 02.06.01: The activity room was not safe as it relates to products and supplies.
October 7, 2013	DPH	Cancer Center Lab inspection	Closed	No deficiencies identified, and lab was issued license (DPH CER CC X 12 15)	No deficiencies identified, and lab was issued license (DPH CER CC X 12 15)
November 27, 2013, concluding on January 6, 2014	CT DPH	Unannounced survey (conducting multiple investigations and monitoring visits during strike)	Closed	Corrective action plan submitted on January 27, 2014	Findings Related to: 1. Staff failed to identify actions to be taken in the event of an emergency on the nursing unit. 2. Staff failed to provide respiratory treatments as ordered. 3. Facility failed to follow physician's orders and/or failed to ensure that all the components of the orders were complete in accordance with the facilities policies and procedures. 4. Facility failed to provide newborn screening according to CT Statute, Section 19a-59, and failed to ensure that mandated laboratory heel stick for newborns was obtained prior to discharge. 5. Failure to assess, monitor or evaluate patient per policy, protocol or orders (several findings). 6. Failure to ensure fall prevention interventions were implemented per the plan of care. 7. Facility failed to administer a transfusion in accordance with physician's orders. 8. Failure to adhere to infection control precautions. 9. For one surgical patient, documentation and interviews failed to reflect that a biological specimen was sent to the pathology department as planned.

DOHC1208A09

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
February 18, 2014	CAP	Cancer Center Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 2 2014	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 2 2014) Deficiencies involved the following standards: 1. Need for a complete procedure manual to be available at the workbench or in the work area. 2. Requirement for all patient/client results to be reported with reference (normal) intervals or interpretations as appropriate. 3. Lack of documentation that temperatures are checked and recorded daily for certain required equipment. 4. Requirement for controls to be run daily for quantitative and qualitative tests. 5. Requirement for instructions to be provided to patients for proper collection of clean voided urine specimens.
April 4, 2014	CT DPH	Unannounced survey (multiple investigations	Inactive	Complaints investigated; no further inquiry from DPH	Failure to ensure timely notification to physician of an acute medical condition.
October 23, 2014	CAP	L+M lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (LM CAP 2014)	Deficiencies identified were corrected. Lab was reaccredited (LM CAP 2014) Deficiencies involved the following standards: 1. Need for testing of body fluid specimens using methods intended for other specimen types (e.g. blood or other fluid) to be validated by the laboratory 2. If the laboratory uses more than one nonwaived instrument/method to test for a given analyte, the instruments/methods are checked against each other at least twice a year for comparability of results. 3. Need to report all characteristics of the semen specimens. Need to evaluate forward progression of sperm. 4. Need for all patient/client results to be reported with reference (normal) intervals or interpretations as appropriate. 5. The cytotechnologists fulfills defined responsibilities.
October	CAP	Pequot Lab	Closed	Deficiencies	Deficiencies identified were corrected and lab was reaccredited (PQ CAP 2014).

DOHC1208A10

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
23, 2014		inspection		identified were corrected, and lab was reaccredited (PQ CAP 2014)	Deficiencies involved the following standards: 1. The laboratory has evaluated its automatic pipetting systems for carryover. 2. If a results is less than or greater than the AMR, a numeric results is not reported unless the sample is processed by dilution, a mixing procedure or concentration so that the processed result falls within the AMR.
October 23, 2014	CAP	Cancer Center Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 10 2014)	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 10 2014) Deficiencies involved the following standards: 1. The laboratory has evaluated its automatic pipetting systems for carryover. 2. If a results is less than or greater than the AMR, a numeric results is not reported unless the sample is processed by dilution, a mixing procedure or concentration so that the processed result falls within the AMR.
November 4, 2014	DPH	Flanders draw station inspection	Closed	Deficiency identified was corrected, and license was issued (FLA DPH 2014)	Deficiency identified was corrected, and license was issued (FLA DPH 2014). Vinyl on the arm of the blood draw chair was torn and could not properly be decontaminated. Arm was replaced.
January 13, 2015	DPH	L+M Lab inspection	Closed	Deficiencies identified were corrected, and lab was issued license (DPH CERT LM X 3 31 17)	Deficiencies identified were corrected, and lab was issued license (DPH CERT LM X 3 31 17) Corrective actions involved: 1. CA125 procedure revised to include discarding calibrators once calibration has been accepted. 2. Pharmacy Environmental Testing procedure revised to identify all isolates to the genus level with the exception of clinically important genera that are identified to the species level. Any growth is immediately reported to the pharmacy director and manager.
January 12-January 16, 2015	CT DPH	Unannounced survey (multiple	Open	Corrective Action plan submitted	Findings Related to: 1. Environmental testing of Cancer Center Pharmacy identified actionable

DOHC1208A11

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
		investigations and licensure survey)			items. There was no documentation of completed remediation. 2. ISO level discrepancies in the Cancer Center Pharmacy 3. Cancer Center Pharmacy failure to adhere to the Pharmacy Environmental Testing and USP 797 Environmental Policies. 4. Failure to ensure that the governing body was informed prior to the reoccupation of a patient care unit of the hospital which had sustained significant water damage 5. Failure to monitor patient or document care or care plan per policy, protocol or orders (several findings). 6. Failure to label pre-label pre-drawn medications and or solutions. 7. Stored intravenous needles in an unlocked cabinet in accordance with hospital policy and procedure 8. Failure to adhere to restraint policy, patient grievance policy and maintain privacy (separate findings) 9. Failure to maintain equipment in surgical areas, i.e. rusted IV poles 10. Laboratory failed to maintain test result records for pharmacy environmental testing 11. Life safety code findings involving fire rated walls, hand rails and hanging hazards in psych unit (several findings). 12. Retained foreign object, however, no breakdown in the process was identified. 13. Documentation not provided regarding scheduled preventative maintenance plan for medical gas system at Pequot Ambulatory Surgical Center and for generator testing
January 16, 2015	CMS	Unannounced survey (substantial allegation survey)	Closed	No action plan submission required.	N/A
March 13, 2015	DPH	Pequot Lab inspection	Closed	No deficiencies. Lab issued license (DPH CERT PQ X# 31 2017)	No deficiencies identified. Lab issued license (DPH CERT PQ X 3 31 2017)

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)	Brief Summary of Findings
July 27, 2015	CT Dept of Consumer Protection	Investigation of internal controls for maintenance of controlled substances	Closed	$5,000 penalty paid to satisfy alleged deficiency. Internal controls corrected.	Failure to maintain effective controls against diversion or theft of controlled substances.
November 20, 2015	DPH	Cancer Center Lab Inspection	Closed	No deficiencies.	No deficiencies cited and lab was issued license (CL-0736).

DOHC1208A13

YNHHSC and Hospital Entities

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		OSHA		
March 25, 2015	OSHA			
		Serious Violations: See below	Resolved	Signed Informal Settlement Agreement – July 30, 2015 Abated violations not corrected during inspection as of July 31, 2015 Paid total fine $9800
	"	29 CFR 1910.132(a) – Personal protective equipment and protective barriers and shields not provided/used around turbine generator.	"	
	"	29 CFR 1910.132(d)(1) – Workplace not assessed to determine need for PPE and maintenance of equipment in boiler room.	"	
	"	29 CFR 1910.215(a)(4) – Work rests needed adjustment to prevent work from being jammed between grinding wheel and work rest.	Corrected during inspection	
	"	29 CFR 1910.215(b)(9) – Tongue guard required adjustment on grinder.	Corrected during inspection	
	"	29 CFR 1910.303(b)(7)(iv) – On/Off switch on grinder was broken and employees were removing plug from outlet instead.	Corrected during inspection	
	"	29 CFR 1910.253(b)(4)(iii) – 5 oxygen cylinders not adequately separated from acetylene fuel gas cylinders.	Corrected during inspection	
	"	29 CFR 1910.304(f)(1)(iv) – Overcurrent devices not readily accessible.	Corrected during inspection	
	"	29 CFR 1910.304(g)(5) – Extension cord missing ground pin.	Corrected during inspection	

DOHC1213

DOHC1214

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		DPH		
November 6, 7, 2012	DPH	Retained surgical sponge in patient after sponge counts were completed three times post procedure.	Resolved	In compliance - 3/15/13
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that warming cabinet temperatures were monitored in OR/cesarean section area.	Resolved	In compliance - 11/1/13
March 19, 20, 21, 22, 2013	DPH	Pain assessments/reassessments in post partum unit not documented according to policy.	Resolved	In compliance - 10/28/13
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that physician order for type of neonatal feedings and individualized education was documented.	Resolved	In compliance - 11/1/13
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that patient was monitored and changes in sedation were documented.	Resolved	In compliance - 2/1/14
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that emergent treatment provided in ED for a patient was timely.	Resolved	In compliance - 7/31/14
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that consent for autopsy was followed according to policies/procedures.	Resolved	In compliance - 2/1/14
March 19, 20, 21, 22, 2013	DPH	Lack of evidence that fire drills were held at unexpected times and that drills included the transmission of a fire alarm signal.	Resolved	In compliance - 7/1/13
April 8, 2014	DPH	Lack of documented evidence in ED that staff failed to communicate a change in patient condition and/or unsafe behaviors.	Resolved	In compliance - two interventions: 3/20/12; 2/5/14
April 8, 2014	DPH	Lack of evidence that patients in ED behavioral health unit were informed of monitoring cameras.	Resolved	In compliance - 10/30/14
April 8, 2014	DPH	Lack of documented evidence that patient records were accurate and completed.	Resolved	In compliance - two interventions: 10/30/14; 7/31/14
April 8, 2014	DPH	Lack of documented evidence that an adverse event was not reported with an action plan in a timely manner.	Resolved	In compliance - 6/30/15

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		TJC		
May 28-30, 2014	TJC	Lack of evidence that concerns, issues, or questions were clarified with an individual prescriber before dispensing a medication.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of evidence that a risk assessment was done that identified specific patient characteristics and environmental features that could increase or decrease the risk of suicide.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of evidence that specific orders on a patient receiving Pitocin were not in the patient's medical record.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of evidence of a daily emergency equipment log in ambulatory MRI room.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Lack of a pre-sedation or pre-anesthesia patient assessment before operative or other high-risk procedures were initiated.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of documentation of pain assessment/ reassessment in ED, reason for administering Tylenol, or nutritional supplement was given as ordered.	Resolved	In compliance - 5/7/15
May 28-30, 2014	TJC	Lack of evidence that a time-out was performed in the GI Lab.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of evidence in Hospice that a full oxygen risk assessment was completed.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Lack of evidence that the fire extinguisher in a closet in the main kitchen was not inspected for one month.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Lack of evidence that certain release devises were not included in an inventory.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Observed that a door to the scope cleaning room in the Endoscopy Center was open without automatic closure devices during the scope cleaning process.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Observed that an empty oxygen e-tank was stored in a fall rack and a pull cord was wrapped around a grab bar.	Resolved	In compliance - 8/18/14

DOHC1216

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		TJC		
May 28-30, 2014	TJC	Lack of evidence that one clinical license was not verified with a primary source until seven months after license was renewed.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Observed that dish machine temperature logs had missing entries.	Resolved	In compliance - 7/16/14
May 28-30, 2014	TJC	Observed that endoscopy scopes were stored with ends of scope touching the base of cabinet and several storage units in OR central core did not have solid barriers on lower shelves.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Observed that several penetrations were noticed in the stairwell and data center server room.	Resolved	In compliance - 8/18/14
May 28-30, 2014	TJC	Observed that a security camera in stairwell and a bug zapper needed to be removed.	Resolved	In compliance - 5/30/14
May 28-30, 2014	TJC	Observed that a chair was blocking a fire extinguisher and a cart was blocking direct access to a fire hose connection.	Resolved	In compliance - 5/30/14
May 28-30, 2014	TJC	Lack of evidence that the medical staff determines qualifications for radiology staff who use equipment and administer procedures and approves nuclear services directors specification for qualifications training functions, and responsibilities of the nuclear staff.	Resolved	In compliance - 8/18/14
June 27, 2014	TJC	Lack of evidence that an RN in telemetry received a verbal order to change parameters for monitoring and did not record the verbal order.	Resolved	In compliance - 12/4/14
August 21, 2014	TJC Hip Recertification	Lack of evidence regarding the initial assessment of patient's comprehension of program - specific information at pre-op education class.	Resolved	In compliance - 10/20/14

DOHC1217

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		TJC		
August 21, 2014	TJC Knee Recertification	Lack of evidence regarding the initial assessment of patient's comprehension of program - specific information at pre-op education class.	Resolved	In compliance - 10/20/14
August 28, 2014	TJC Advanced Primary Stroke Center Recertification	Lack of evidence regarding assessments/ reassessments as evidenced by failure to complete neurological checks and failure to complete an NIHSS on newly admitted stroke patients believed to have TIA.	Resolved	In compliance - 10/17/14
August 28, 2014	TJC Advanced Primary Stroke Center Recertification	Lack of evidence to ensure ED nurse had current PALS and ACLS certification	Resolved	In compliance - 10/17/14
August 28, 2014	TJC Advanced Primary Stroke Center Recertification	Lack of evidence that new staff member received orientation to stroke program and stroke disease specific care program.	Resolved	In compliance - 10/17/14
August 28, 2014	TJC Advanced Primary Stroke Center Recertification	Lack of documentation reflecting that the patient is at the center of the decision making process.	Resolved	In compliance - 10/17/14
August 28, 2014	TJC Advanced Primary Stroke Center Recertification	Lack of evidence of follow through on evaluation and treatment plan for patient diagnosed with expressive aphasia post stroke.	Resolved	In compliance - 10/17/14

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		TJC		
June 15, 2015	TJC Diabetes Recertification	Lack of documented information to support that patient was informed of AIC result.	Being resolved	Plan in place - 8/13/15
June 15, 2015	TJC Diabetes Recertification	Lack of evidence to support that the physical therapist caring for a patient with diabetes received education related to the identification of symptomatic hypoglycemia.	Being resolved	Plan in place - 8/13/15
June 15, 2015	TJC Diabetes Recertification	Lack of documented evidence to support that patient met glycemic goals of having a nutritional assessment.	Being resolved	Plan in place - 8/13/15

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
DPH				
8/10/15	DPH	Violation letter from DPH re: their investigation of AE 0040-15-14	Open	Corrective action due 8/19/15/ Submitted on time and accepted
7/21/15	DPH	Adverse Event Report 0040-15-14 Sexual Assault of a Patient reported to DPH on 6/25/15	State investigation completed on 7/21/15	30 Day Corrective Action Submitted on 7/23/15/ Submitted on time and accepted
1/6/2015	DPH	Follow up visit regarding unsterilized C-Section Tray	Resolved	Returned to Deemed status by DPH for CMS
11/18/2014	DPH	Substantial investigation regarding unsterilized C-Section Tray	Resolved	Corrective action due 12/19/2014/Submitted on time and accepted.
4/9/2014	DPH	Multiple investigations, a licensure inspection and certification and a follow up to violation letters dated March 19, July 22 and September 8, 2013.	Resolved	Corrective action due 5/4/2014/Submitted on time and accepted
12/11 & 12, 2013	DPH	Investigation of patient that expired due to unknown drug allergy	Resolved	Corrective action due 1/22/2014/Submitted on time and accepted
6/25/2013 visit concluded	DPH	Multiple investigations and a follow up to a correction advance plan on May 1, 2013 due to restraint issue and retained foreign body.	Resolved	Corrective action due by 9/17/2913/Submitted on time and accepted
4/29 & 30 and May 1, 2013	DPH	Conducting investigation regarding medication error	Resolved	Corrective action due 8/5/2013/submitted on time and accepted
Visit concluding 2/28/2013	DPH	Conducting multiple investigations regarding building maintenance, AE 0040-12-05 (skin assessment), ED visit complaint, PICC Line dressing Change	Resolved	Corrective action due 4/2/2013/submitted on time and accepted
Visit concluding 1/10/2012	DPH	Conducting multiple investigations and a Licensure Inspection and conditions of	Resolved	Office Conference 3/13/2012 where corrective action was submitted

DOHC1219

		participation.		and accepted
TJC				
6/17/15	TJC	Follow up on unsterilized C-section tray	Resolved	No known findings
2/25-27/2014	TJC	Accreditation Survey	Completed	Fully Accredited
		CMS		
11/18/2014	DPH for CMS	Substantial investigation regarding unsterilized C-Section Tray led to CMS violation and deemed status was removed	Resolved	Corrective Action sent 12/5/2014 and on 2/5/2015 letter from CMS returning BH to deemed status.
3/17/2014	DPH Validation Survey for CMS		Resolved	BH was found in compliance. Deemed status remained the same. Corrective action plan on some issues was submitted to CMS and accepted.
12/11 & 12, 2013	DPH for CMS	Investigation of patient that expired due to unknown drug allergy	Resolved	CMS found BH to be in compliance after DPH visit and deemed status remained the same.
4/29 & 30 and May 1, 2013	DPH for CMS	Conducting investigation regarding medication error		Corrective Action sent 6/5/2013 which was approved and BH was returned to deemed status.

DOHC1220

DOHC1221

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
NRC – YSC				
July 2, 2012	NRC	Notice of Violation – Severity Level IV violation	Resolved	
		Failure to provide NRC with a decommissioning funding plan and financial assurance for radium-226 on a timely basis.		July 30, 2012 YNHH responded with reason for violation, corrective steps taken and date when full compliance will be achieved.
August 24, 2012	"	NRC correspondence, following up on YNHH response.		September 17, 2012 YNHH responded requesting an additional 60 days. All but 5 millicuries of radium has now been transferred out of YNHH. Have submitted financial assurance information to NRC. Have not received documentation of final "sign-off" from NRC but they have verbally indicated they approve of our plan.
NRC - SRC				
July 29, 2014	NRC	Notice of Violation and Exercise of Enforcement Discretion – Three Severity Level IV Violations	Resolved	October 3, 2014 YNHH responded, providing information regarding reasons for violation, corrective steps taken, corrective steps to prevent recurrence and date when full compliance will be achieved for each of the three violations.
		Failure to review at least annually the radiation protection program content.		
		Failure to include a rep of the nursing service on the Radiation Safety Committee.		

DOHC1222

		Failure to determine length of source transfer tubes and applicators during full calibration measurements on remote afterloader.		
October 17, 2014		Email received from NRC requesting short letter committing to retraining of SRC medical physicists on revised procedure and providing information regarding revision of procedures.		October 27, 2014 YNHH provided the additional information to the NRC.
November 5, 2014		Closure Letter received from NRC	Closed	
		FDA		
August 14, 2014	FDA	Announced visit to inspect YNHH's Radioactive Drug Research Committee. Resulted in issuance of Form 483 for seven different "observations."	Resolved	September 3, 2014 Response/CAPA submitted to FDA for each cited item. Ultimately decision made for YNHH to close its RDRC and Yale University to commence responsibility for the radioactive drug research protocols.
		1. Failure to have more than 50% of member present at quarterly meetings.		
		2. Failure to have a nuclear medicine physician available at each meeting.		
		3. Numerical results of votes not routinely recorded in minutes		
		4. Not all proposals involving more than 30 subjects reported to FDA		
		5. Lack of evidence that all committee members received all necessary information for a review including "basic science		

		criteria." 6. Lack of evidence that electronic correspondence mechanism permitted full opportunity for discussion of each protocol. 7. Failure to assure that each of the RDRC protocols with an associated IND was identified at the start of the review process.		
January 31, 2015		YNHH requested permission to withdraw RDRC.		
April 8, 2015		FDA approved withdrawal of YNHH RDRC.		
OSHA				
June 14, 2013	OSHA	Citation and Notification of Penalty – Level Serious related to employee exposure to ethylene oxide. Determinations of exposure were not made from breathing zone air samples representative of the 8-hour time-weighted average of each employee.	Resolved	YNHH paid $2100 penalty and agreed to abate violation no later than July 9, 2013

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
CMS/DPH				
May 21, 2015			Resolved all issues	All Plans of Correction implemented and verification conducted July 2, 2015
	DPH (CMS)*	F 279 SS=D A facility must use the results of the assessment to develop, review, and revise the resident's comprehensive plan of care.	Resolved	Care plans revised. Staff will be in-serviced on Care development. Random audits over 90 days.
		F 281 SS=D The services provided or arranged by the facility must meet professional standards of quality.	Resolved	Orders have been updated accordingly. All patients who self-administer their medications will have an evaluation completed. Staff will be in-serviced on ensuring orders. Random audits over 90 days.
		F 309 SS=D Each resident must receive and the facility must provide the necessary care and services to attain or maintain the highest practicable physical, mental and psychosocial well-being in accordance with the comprehensive assessment and plan of care.	"	All patients that self-administer medications will be evaluated. Staff will be in-serviced on self-administration. Random audits over 90 days.
		F 327 SS=D The facility must provide each resident with sufficient fluid to maintain proper hydration and health.	"	All staff will be in-serviced on management of fluids. Random audits over 90 days.
		F 329 SS=D Each resident's drug regimen must be free from unnecessary drugs.	"	All staff will be in-serviced on the need for AIMS testing. Random audits over 90 days.
		F 371 SS=D The facility must procure food from sources approved by Federal, State	"	Facility staff will abide by facility policy.

DOHC1224

		or local authorities – store, prepare, distribute and serve food under sanitary conditions.		Staff will be in-serviced on proper procedure for changing gloves. Random audits over 90 days.
		F 431 SS=D The facility must employ/obtain a pharmacist who establishes a system of records of receipt and disposition of all drugs in detail.	"	All staff will be in-serviced on checking for/removing expired medications. Expired medications removed in a timely manner. Random audits over 90 days.
		F 514 SS=D The facility must maintain clinical records on each resident with a sufficient amount of information, organized and readily available.	"	Staff will be in-serviced on the need for complete physical assessment and documentation of any patient that elopes. Random audits over 90 days.
*(All references are to Federal Tags – same citations were issued with DPH CT Public Health Code references in separate letter)				
		DPH/CMS		
August 14, 2104	DPH (CMS)*		Resolved	September 25, 2014 - All Plans of Correction implemented and verification conducted.
		F 226 SS=D The facility must develop and implement written policies and procedures that prohibit mistreatment, neglect and abuse of residents and misappropriation of resident property.	"	All residents will have their care plans updated. Staff will be in-serviced regarding police notification for abuse allegations, and appropriate updating of care plans. Random audits will take place.
		F 248 SS=D The facility must provide for an outgoing program of activities designed to meet the needs/interest of each resident.	"	Staff will be in-serviced on resident-specific documentation with regard to attendance logs. Random audits will take place.
		F 279 SS=D A facility must use the results of the assessment to develop, review and revise the resident's plan of care.	"	Staff will be in-serviced on proper documentation of care plans. Random audits will take place.

DOHC1225

		F 311 SS=D A resident is given the appropriate treatment to maintain or improve his or her abilities.	"	Staff will be in-serviced on documentation of refusal of therapy and reevaluation. Random audits will take place.
		F 312 SS=E A resident who is unable to carry out activities of daily living receives the necessary services to maintain good nutrition, grooming and personal and oral hygiene.	"	Staff will be in-service on transcription of orders from the W-10 on admission. Random audits will take place.
		F 371 SS=D The facility must procure food from sources approved by Federal, State or local authorities, store, prepare, distribute and serve under sanitary conditions.	"	The facility will maintain refrigerator logs per facility policy. Staff will be in-serviced on the policy of maintaining/documenting temperature twice a day. Random audits will take place.
		F 514 SS=D The facility must maintain clinical records on each resident with a sufficient amount of information, organized, and readily available.	"	Staff will be in-serviced on the need for an RN assessment to be complete at the time of any fall. Random audits will take place.
*(All references are to Federal Tags – same citations were issued with DPH CT Public Health Code references in separate letter)				
		National Fire Protection Association		
August 12, 2014			Resolved	Resolved by September 23, 2014
	NFPA	K 054 SS=E All required smoke detectors are approved, inspected and tested in accordance with Manufacturer's specifications.	"	The smoke detectors and duct that have been cited have been replaced. Any fire protection system deficiencies will be replaced timely.
		K 071 SS=F All chutes must be up to the NFPA standards.	"	All laundry chutes will be inspected monthly. Laundry chute door will be replaced.
		K 076 SS=F	"	All exhaust fans have been fixed

DOHC1226

		Medical gas storage and administration areas are protected in accordance with NFPA Standards for Health Care Facilities.		and are operational.
		All electrical outlets must be up to the NFPA standards.	"	All electrical outlets will be checked annually. Facility will maintain a testing process weekly until all outlets have been inspected.
		DPH/CMS		
May 23, 2013	DPH/CMS*		Resolved	All plans of correction implemented and verification conducted June 10, 2013
		F 151 SS=D The resident has the right to exercise his or her rights as a resident of the facility and as a citizen of the United States.	"	All residents have received a copy of the Resident Bill of Rights and the Visitation Policy. Visitation Policy revised and both policies will be signed upon receiving. Staff will be in-serviced on Visitation Policy. Random audits will take place.
		F 164 SS=D The resident has the right to personal privacy and confidentiality of his or her personal/clinical records.	"	All residents have received a copy of the Resident Bill of Rights and the Visitation Policy. Visitation Policy revised and both policies will be signed upon receiving. Staff will be in-serviced on Visitation Policy. Random audits will take place.
		F 225 SS=D The facility must not employ any individuals who have been found guilty of	"	Staff was in-serviced on the Abuse, Neglect, Mistreatment, and Misappropriation of Resident

		abusing, neglecting or mistreating residents by a court of law.		Property Policy. Random audits will take place. Checklist created to ensure each reportable event is complete.
		F 250 SS=D The facility must provide medically-related social service to attain or maintain the highest practicable physical, mental and psychosocial well-being of each resident.	"	Staff was in-serviced on the Abuse, Neglect, Mistreatment, and Misappropriation of Resident Property Policy. Nursing supervisor on each shift will notify social services when an allegation is made. Social services will then interview/monitor Resident. Random audits will take place.
		F 279 SS=D A facility must use the results of this assessment to develop, review, and revise the resident's comprehensive plan of care.	"	Staff was in-serviced on the Hydration Protocol. Resident's care plans were reviewed. Nursing supervisor will review 24 hour report.
		F 309 SS=D Each resident must receive and the facility must provide the necessary care and services to attain or maintain the highest practicable physical, mental and psychosocial well-being, in accordance with the comprehensive assessment and plan of care.	"	The facility Ace Wrap policy has been revised. Staff was in-serviced on Ace Wrap Policy. Random audits will take place.
		F 323 SS=DD The facility must ensure that the resident remains as free of accident hazards as is possible; and each resident receives adequate supervision and assistance devices to prevent accidents.	"	All bed alarms have been checked. Staff has been in-serviced on the Bed Alarm Policy. Nursing Supervisor will randomly check bed alarms.

DOHC1228

GRIMES L+M Affiliation RI DOH Folder 3.1.18 - Licensure or Certification Citations and/or Enforcement Actions

*(All references are to Federal Tags – same citations were issued with DPH CT Public Health Code references in separate letter)				
Date	Agency	Investigation	Status	Disposition

DOHC1229

Date	Agency	Investigation – Issue Identified	Status	Disposition (Corrective Action)
		CMS/DPH		
September 18, 2014 - visit	DPH/CMS	Fairfield County Endoscopy Center	All issues addressed and resolved.	All issues corrected by 10/31/14
September 23, 2014 - Letter	DPH/CMS	Fed-Q-040 – Governing Body Failed to ensure GB met regularly. Lack of official appointment of interim administrator, job description. Lack of written delegation of administrative duties in by-laws.	All issues addressed and resolved.	Leadership informed of all issues and corrective action implemented.
		Fed-Q-081 – Program Scope/Activities Failure to develop and track quality indicators and set priority for performance improvement. Quality Management meetings not conducted with requisite frequency.	All issues addressed and resolved.	Infection control program expanded to include monitoring of rates of infection. Identified performance improvement indicators. Made plans for quarterly meeting.
		Fed-Q-121 – Membership and Clinical Privileges Lack of privilege delineation in one of four anesthesiologist's files.	All issues addressed and resolved.	Delineation completed and provided.
		Fed-Q-141 – Organization and Staffing Lack of complete requirements in personnel files including one ACLS certification missing, on-time performance reviews.	All issues addressed and resolved.	Primary source ACLS documentation to be maintained within facility. Perfomance reviews to be done timely.
		Fed-Q-162 – Form and Content of Record Failure to maintain complete medical record documentation.	All issues addressed and resolved.	In-service to all medical and nursing staff reviewing medication reconciliation, sedation and anesthesia care policy and discharge criteria.
		Fed-Q-223 – Notice – Physician Ownership	All issues	Will be displayed in waiting room.

DOHC1230

		Failure to disclose specific physician owners.	addressed and resolved.	Copy of notice provided to CMS/DPH.
		Fed-Q-242 – Infection Control Program Failure to document periodic infection control education to contracted physicians and cleaning staff.	All issues addressed and resolved.	Change implemented
		Fed-Q-244 – Infection Control Program QAPI Failure to ensure that IC data was collected and analyzed.	All issues addressed and resolved.	IC program expanded, hand hygiene to be monitored, QM minutes to contain documentation.
		Fed-Q-261 – Admission Assessment H & Ps reviewed were not complete.	All issues addressed and resolved.	In-service and documentation provided to all medical staff re: requirement of H & Ps. Audits to be conducted.
		NFPA		
		Fed-K-000 – Initial Comments	Allissues address-ed and resolved.	
		Fed-K-130 – Failure to ensure emergency and standby power systems were being inspected.	All issues addressed and resolved.	Service performed.

DOHC1231

Date	Agency	Investigation	Status	Disposition
CMS				
CMS Notification Letter (On site: 3/18/13)	State of CT. DPH (State Survey Agency)	Substantial allegation survey	Resolved	In compliance
9/14/2015	CMS/DPH	Substantial allegations surveys conducted at YNHH involving two incidents which resulted in patient death. Letter Received 9/29/15. Conditions deemed to require correction include: • Medical Staff • Medical Record Services • Pharmaceutical Services The letter required YNHH to correct all deficiencies prior to December 28, 2015 to avoid loss of Medicare Certification and indicated CMS/DPH would re-inspect prior to October 29, to determine whether YNHH was in substantial compliance will the Cited COPs. YNHH created corrective action plans on all items and replied to CMS on October 9, 2015. Additional clarification was submitted by YNHH on October 16 and the plan was accepted by CMS.	DPH/CMS conducted a follow-up survey on October 21 and 22, 2015.	On October 22, 2015, DPH/CMS verbally communicated that YNHH is fully compliant with the CMS Conditions of Participation and that all outstanding sanctions will be rescinded. YNHH awaits the written communication to this effect.
		Incident #1 involved a patient who underwent eye surgery at an ambulatory surgical center operated by YNHH. During the surgery the patient suffered an arrest and could not be successfully resuscitated. The following areas were cited related to	The Hospital disagreed with some aspects of the citations as it was believed that we were	

		that event: 1) Documentation of the resuscitation was determined to be incomplete based on the information that the surveyor could see, both electronically and in the printed record.	complaint with the ASA and AANA standards. Improvements related to the documentation of medications during a "Code" were made and communicated to all relevant practitioners. The Hospital also undertook corrective action related to its default views of the anesthesia record and its procedures for ensuring that the staff interacting with surveyors had the capability of accessing the detailed level of information necessary in order to demonstrate compliance.	

DOHC1233

		Incident #2 involved an extremely ill neonate who received an incorrect dose of an infrequently used medication and subsequently expired. The hospital was cited for 1) Failing to ensure that an order was authenticated within the requisite time period. 2) Failing to ensure that its EMR could accept the prescribed dose of the medication in question from the ordering practitioner. 3) Failing to have a policy in place to address the process of entering certain "Hard to Enter" medications. 4) Failing to ensure that the medication was compounded correctly.	The Hospital responded to CMS/DPH with a Corrective action plan that includes: Re-education of the involved practitioner and education of all practitioners about the need for proper and timely authentication of orders. Creation of a special pathway for the medication involved in this case and education of practitioners about it. Creation of two new policies: one related to the compounding of IV sterile products and another related to medications	

DOHC1234

			which cannot be ordered in the CPOE. The implementation of a double-check in pharmacy for non-standard infusions.	
DPH				
---- **DPH LOV** (On site: 6/15/15)		DPH LOV has not been received	Resolved	No known findings
May 15, 2015 DPH LOV (On site: 2/27,3/23-26, 3/30 & 4/30)	DPH Facilities Licensing and Investigation Section	Total: 21 findings Failed to:	Open	
		1. identify a non-reassuring contraction pattern and/or the hospital failed to titrate Oxytocin and/or the hospital failed to implement chain of command	Open (closes 8/15/15)	Education, simulation, audits, National Institute of Child Health and Human Development (NICHD) pocket sized cards, posters
		2. monitor blood glucose levels and/or the hospital failed to reconcile and/or implement the patient's previous medication regime	Resolved	Education, Medication Reconciliation policy review, audits, referral to hospitalist service for complex medical issues
		3. ensure medical record documentation was complete and/or accurate	Resolved	Education, audits
		4. ensure a comprehensive discharge plan was in place	Open	Education, audits
		5. ensure the maintenance of a safe environment	Resolved	Education, audits and issue fixed

Date	Agency	Investigation	Status	Disposition
		6. ensure that the patient's long-standing medication was ordered in the correct dosage and to ensure that the medication orders were discontinued prior to ordering a change in the medication	Open	Education, audits
		7. ensure that the discharge plan was comprehensive to include follow-up community appointments and/or that documentation failed to include rationale for prescribing pain medication on discharge	Open	Education, audits
		8. ensure that a foreign object was not retained:staples/uterine tamponade balloon	Resolved/Open	Provider use of a cup to collect staples, track and trend similar events/education, audits
		9. ensure that gastric residuals were monitored according to hospital policy	Open	
		10. ensure that the observation status was based on a Licensed Independent Practitioner (LIP) order and/or that monitoring checks were completed in accordance with the physician's order and/or that monitoring checks were completed in accordance with the facility policy	Resolved	SBAR Hand Off tool, education, observation status order sets revised, audits
		11. ensure that the clinical record reflected the rationale for the patient's change of observational status by the LIP in the behavioral health setting	Resolved	Policy revision, education, audits
		12. ensure that the interdisciplinary treatment plan (ITP) was comprehensive to address individualized needs	Open	Education, audits

DOHC1236

Date	Agency	Investigation	Status	Disposition
		13. ensure that comprehensive assessments were completed following an alleged assault and/or fall	Resolved	Education, audits
		14. ensure that a comprehensive operative note was completed	Open	Education, documentation template, audits
		15. ensure that a retained stent was addressed in a timely manner	Open	Education, audits
		16. ensure that radiological x-rays were interpreted accurately	Resolved	Counseling, education, audits
		17. follow its grievance policy	Open	
		18. ensure that infection control practices were followed	Open	Education, signage, audits
		19. inform and/or document that the patient was informed of camera monitoring	Resolved	Education, audits
		20. maintain an accurate record for meal provision and/or intake	Resolved	Diet order to be placed at the time the decision is made to admit, audits
		21. maintain an accurate record for medication orders and/or develop measures to ensure patients home medications needs are met	Open	Change in practice, education, audits
January 6, 2015 DPH LOV (On site: 12/29)	DPH Facilities Licensing and Investigation Section	Safe medication administration practices for anesthesia	Resolved	Education
August 18, 2014 DPH LOV (On site: 6/23-26)	DPH Facilities Licensing and Investigation Section	Failed to:		

DOHC1237

Date	Agency	Investigation	Status	Disposition
		1. ensure that the surgical procedure performed was the same as that to which was consented	Resolved	Developed a surgical pause that was added immediately prior to incision, education, audits
		2. ensure that items utilized during the surgical procedure were not retained in the surgical site	Resolved	Surgical towels with radio frequency technology were readily available, education
		3. intra-operative surgical record failed to contain pertinent, accurate information regarding the current surgery	Resolved	Documentation specific for that OR encounter, audits
		4. ensure that the intra-operative count of sponges and sharps were completed according to hospital policy	Resolved	Education, audits
		5. have in place a system for discarding previously used, disconnected intravenous bags between surgical patients and/or recording the occurrence the in surgical record	Resolved	Education, audits
		6. ensure that all physical holds were documented in accordance with the hospital restraint policy and/or that the hospital's restraint log failed to identify the behavior necessitating the restraints	Resolved	Electronic Medical Record will be modified to support documentation of time of physical holds, staff members involved in physical holds and patient's response to physical hold, policy revision, education, audits, Restraint log revision
		7. ensure the safety of other patients when a constant observation status was not observed	Resolved	Education, audits
		8. notify the responsible person of a change in condition	Resolved	Read and sign off on the policy, education, audits
		9. ensure monitoring of Intake and Output (I&O) for a patient being aggressively diuresis	Resolved	Read and sign off on the policy, education, audits

DOHC1238

Date	Agency	Investigation	Status	Disposition
		10. ensure that pertinent laboratory findings were addressed and/or documented as reviewed by the medical provider prior to discharge	Resolved	Reviewed the importance of communication and documentation of pertinent laboratory findings, audits
		11. ensure that the correct procedure was performed	Resolved	Process change which included a pre-induction time-out with adult patient involvement if the patient wishes to participate in the time-out, audits
		12. ensure that the correct procedure was performed	Resolved	Education schedulers that all printed case request documents and the procedure order was compared to the consent to check for accuracy, audits
		13. identify the responsible person to notify upon discharge	Resolved	Education regarding the process of informing the Clinical Nurse that the patient's family has been notified of the pending discharge to extended care/rehabilitation facility, audits
		14. ensure a cervical collar was in place at time of discharge	Resolved	Education via email reinforcing the need to send cervical collars with the patient upon discharge to a rehabilitation facility when ordered, audits.
		15. document notification of family of the skin impairment	Resolved	Re-educate medical house staff of their responsibility to notify the legal contact/(next of kin) of the change in patients higher acuity/condition level of care, audits

DOHC1239

Date	Agency	Investigation	Status	Disposition
		16. ensure that a tissue sample was sent to the laboratory	Resolved	The Universal Protocol policy was revised to include a debriefing which takes place at the end of the case and is completed prior to the departure of the attending surgeon. One component of this process is the confirmation that all specimens are accounted for and accurately labeled.
February 19, 2014 DPH LOV (On site: 12/16/2013 & 1/17 & 22/2014)	DPH Facilities Licensing and Investigation Section	Failed to:		
		1. ensure that the patient allegations were reported to administration to determine the validity based on an investigation per policy	Resolved	Education, post test
		2. ensure radiation services were administered to the correct patient	Resolved	Re-education on the Patient Identification Policy and Time Out process, audits
		3. ensure hepatitis status appropriately documented	Resolved	Education regarding appropriate infection control and isolation measures for known and unknown hepatitis status, post test, audits, change in physician order to include hepatitis B status of indeterminate & to require verification of the patient's hepatitis B status before the order is complete

YNHH L+M Affiliation RI DOH Folder 3.1.18 - Licensure or Certification Citations and/or Enforcement Actions

Date	Agency	Investigation	Status	Disposition
December 16, 2013 DPH LOV (On Site: 6/25 – 10/18)	DPH Facilities Licensing and Investigation Section	Failed to:		
		1. ensure that advance directive information was available in Spanish in accordance with hospital policy and/or was updated to reflect current information and/or that staff ascertained whether three of three patients had executed advanced directives	Resolved	Advanced Directives were updated and distributed, education, audits
		2. ensure that one (1) of ten (10) patients' reviewed for surgical services had a procedure performed in accordance with the informed consent. Wrong site surgery ureteral stent	Resolved	Developed a standard process to identify left/right orientation, audits
		3.report adverse events in a timely manner for 3 (three) separate occurrences	Resolved	Education, audits
		4. use the least restrictive restraint to provide a safe environment for a patient at risk for falls and/or required the use of restraints. Bed positioned against wall and side rails elevated, patient went over side rails, fell, cerebral hemorrhage and subsequent demise	Resolved	Education, audits, direct observations
		5. ensure that weights were obtained for two of four hemodialysis patients'	Resolved	Education, audits
		6.ensure that medication was administered to two of four patient's as directed by the physician – hemodialysis services	Resolved	Education, audits

DOHC1241

Date	Agency	Investigation	Status	Disposition
		7. properly active a bed alarm for a patient who was identified as a fall risk	Resolved	Education, audits
		8. appropriately place and/or timely transfer the patients to a private room as per policy and/or ensure patient rights for 2 of 3 patients reviewed for newly diagnosed infection with a resistive organism	Resolved	Included in the new electronic bed management process, audits
		9. ensure that nursing staff documented and/or timely documented and/or accurately documented IV site assessments	Resolved	Education, audits
		10. ensure that measures to prevent the development of pressure ulcers was consistently implemented	Resolved	Education, audits
		11. identify and/or document the conditions required to initiate emergent use of psychoactive medication	Resolved	Emergent and Involuntary Medications Policy developed, Education, audits
		12. review the patient discharge plan and/or notify the Conservator of Person prior to patient discharge	Resolved	Electronic Medical Record was updated to include a banner at the top of the Patient Summary Tab to alert staff of Conservator of Person documentation, audits
		13. obtain a weekly weight in accordance with hospital policy and failed to develop a comprehensive Interdisciplinary Treatment Plan to address use of metformin for weight control –Behavioral Health	Closed	Policy revised, education , audits
		14. ensure that the grievance policy was followed	Resolved	Policy reviewed, education, audits
Date	Agency	Investigation	Status	Disposition

DOHC1242

Date	Agency	Investigation	Status	Disposition
		15. ensure that documentation of a physician assessment was completed when the patient had a change in condition and/or that treatment was ordered by the hospitalist in a timely manner to prevent complications –failure to escalate to attending physician sooner	Resolved	Education, audits
		16. reflect that the hospital abuse policy was followed	Resolved	Education, audits
		17. ensure that the clinical record was complete – chest tube placement: lacked physician signature on consent, no brief operative note, and late operative note	Resolved	Education, audits
		18. ensure that a foreign object was not retained – retained foreign body, glove tip following thoracoscopy	Resolved	Education, audits
		19. ensure that multiple physicians' documented the presence of chest tubes rendering the radiology reports incomplete	Resolved	Education, audits
		20. ensure that laterality of the procedure was noted on the informed consent, that a time-out was conducted prior to the procedure in accordance with hospital policy and/or that the procedure was performed on the right side in accordance with the physician's order – wrong site surgery Thoracentesis	Resolved	Education, audits

Date	Agency	Investigation	Status	Disposition
		21. ensure that appropriate precautions were taken to prevent a thermal burn and/or that skin assessments were comprehensive and/or the plan of care was developed in a timely manner and/or that the discharge summary/directions reflected the thermal burn – surgical burn with duraprep pooling	Resolved	Education, audits
		22. ensure that the grievance policy was implemented	Resolved	Education, audits
		23. assure the patient was free from unneccessary medication	Resolved	A standard operation procedure (SOP)regarding medication reconciliation at discharge was established to clarify the responsibility , audits
		24. provide notification timely to the conservator when changes in the patient's condition were identified	Resolved	Education, monitoring
		25. implement protective measures to prevent the development of a pressure ulcer	Resolved	Education, audits
		26. ensure EOC and Life Safety compliance with: YSC- 18 findings	Resolved	Remediated
		27. ensure EOC and Life Safety compliance with: SRC- 9 findings	Resolved	Remediated

Date	Agency	Investigation	Status	Disposition
February 22, 2013 DPH LOV (On site: January 16,17,22&28)	DPH Facilities Licensing and Investigation Section	Failed to:		
		1. ensure that all aspects of perfusion documentation and oxygenator change out during ECMO therapy were consistently documented and complete	Resolved	Documentation of any manufacturer recommended oxygenator safety check(s) will be incorporated into the perfusionist ECMO circuit and pump set up checklist. The type of oxygenator, serial number, expiration date, and the identification of Rotaflow / Centrimag console lot # to which the circuit was attached will also be included in the checklist, audits
		2. contact the manufacturer to ascertain additional information pertaining to previous correspondence regarding a flaw in a product utilized by the hospital and/or the hospital policy for recall/alert of potential unsafe products failed to reflect current practice.	Resolved	Re-educate the Operating Room RASMAS coordinator and responders are their responsibilities for managing OR RASMAS alerts at the York St. Campus, update the Yale-New Haven Hospital Policy, Recall/Alert of Products and Equipment (NC: R=3) to reflect process identified and current workflow; educate Operating Room RASMAS Coordinator and Responders on revised policy, audits

Date	Agency	Investigation	Status	Disposition
January 22, 2013 DPH LOV (On site: 12/13&14/2012)	DPH Facilities Licensing and Investigation Section	Failed to:		Full implementation of the updated Yale New Haven Health System Universal Protocol including the Pre-operative/procedure verification, Marking the operative/procedure site(s), and the Time-out throughout Perioperative Services, audits
		1.ensure that site verification was completed prior to a surgical procedure	Resolved	Full implementation of the updated Yale New Haven Health System Universal Protocol including the Pre-operative/procedure verification, Marking the operative/procedure site(s), and the Time-out throughout Perioperative Services, audits
October 26, 2012 DPH LOV (On site: 7/18,19,23,24,25,26,27/2012) Of note: Site visits occurred prior to YNHH ownership and operation of Hospital St. Raphael.	DPH Facilities Licensing and Investigation Section	Failed to:		
		1.conduct abdominal assessments, and/or address the patient's pain, and/or ensure a written consent was obtained prior to surgery in accordance with the facility policies and procedures	Resolved	Track and trend, educate, audits
		2.initiate treatment in a timely manner	Resolved	Education, audits

DOHC1246

Date	Agency	Investigation	Status	Disposition
		3.ensure Master's Prepared Social Worker were licensed and/or supervised by a Licensed Clinical Social Worker	Resolved	Job responsibilities changed
		4.ensure the chain of command was activated	Resolved	Chain of Command policy reviewed, education, monitoring
		5.ensure that the responsible physician obtained informed consent prior to surgery	Resolved	Education, monitoring
		6.ensure that a physician or designee completed the history & physical prior to surgery	Resolved	Education, monitoring
		7. provide a safe environment to prevent falls	Resolved	Education, audits
		8.ensure that the correct tooth was extracted	Resolved	Education, audits
		9. to provide evidence that a resident physician was oriented	Resolved	Education, audits
		10. ensure Universal Protocol was followed	Resolved	Education, audits
		11. ensure Informed Consents completed	Resolved	Education, audits
		12.quality assurance data in oral surgery hospital's quality assurance program	Resolved	Quality audits aligned with hospital
		13.ensure medical record was complete	Resolved	Education, audits

Date	Agency	Investigation	Status	Disposition
September 14,2012 DPH LOV (On site 8/15&16, 9/7 &11/2012	DPH Facilities Licensing and Investigation Section			
		1. remove surgical packing prior to discharge and/or failed to ensure that sponge counts were correct postoperatively and/or failed to report the retention of surgical packing as an Adverse Event	Resolved	"Remove vaginal packing on this date" order has been added to the GYN order set, audits, education, focus group determined that prior to completion of skin closure, all patties must be passed off the sterile field for final counts to be complete.
		2. ensure that surgical consents were complete.	Resolved	Education, audits
August 1, 2012 DPH LOV (On site: 2/28&28, 3/1,2&5, 4/2&3,6/25/2012	DPH Facilities Licensing and Investigation Section	Failed to:		
		1.ensure that all laparoscopic pads were removed at the end of the procedure and/or have a policy in place to direct staff on count verification for a temporary closure of the abdomen	Resolved	Education, audits

		2. accurately reflect staff attendance and the times staff were present in the operating room	Resolved	Educate circulating nursing staff to record in the record via time stamp the time in and out of the operating room of each surgical team member, The Nurse Case Review List will capture all counts (Initial, Permanent Relief, Closing and Final) which will provide documentation of staff and times entering and leaving the operating room, audits
		3. ensure appropriate orders were entered for a patient status post stent placement	Resolved	Discussion, audits
		4. the surgical intraoperative documentation record failed to include a clear continuum of care	Resolved	The circulating nurse will continue to document the patient's physical body position in the nursing clinical documentation throughout the intraoperative continuum of care, audits
		5. ensure that one patient was evaluated for swallowing difficulties upon admission and/or that strategies to prevent a fall were consistently followed according to hospital policy	Resolved	Education, monitoring
		6. document the completion time of the transfusion in the record of transfusion	Resolved	Review and update the Blood Administration Policy to reflect Rapid Infusion Technology, education, audits
		7. comprehensively assess the patient prior to discharge	Resolved	Education, audits
Date	Agency	Investigation	Status	Disposition

DOHC1249

		8. ensure that care and services were provided in a dignified manner and/or a complete investigation was conducted and/or a comprehensive plan of care was implemented in accordance with the facility policy	Resolved	Education, audits
		9. monitor the patient in accordance with the facility policy, while in behavioral restraints, ensure that behaviors requiring the continued use of restraints were documented and/or that restraints were reduced at the earliest possible time and/or that monitoring was conducted in accordance with policy	Resolved	Developed an addendum to the Restraint Policy on the indications, use, and documentation for protective hood (spit mask), education, audits
		10. ensure that water temperatures were maintained within normal limits	Resolved	The hot water pump was replaced, audits
		11 ensure that consents for invasive procedures were completed.	Resolved	Agreed to amend its consent policy and practice such that epidurals will, going forward be included in the procedures deemed to require written anesthesia consent.
		12. ensure that treatment and/or plan of care were developed to meet the individualized needs	Resolved	Development of a Clinical Practice Manual Policy (CPM): Post Dural Puncture Headaches, Care of Suspected or Confirmed for care of patients with suspected or known post-dural puncture headaches, education, audits
		13. ensure that staff functioned within their scope of practice	Resolved	Educate, audit
Date	Agency	Investigation	Status	Disposition

		14.ensure that patients who were having stroke symptoms were assessed and monitored per stroke protocol.	Resolved	Modify the abbreviated NIHSS assessment flow sheets to include vital signs and neurological checks to ensure complete RN documentation, educate, audit
		15. ensure that infection control practices were maintained	Resolved	Develop a process on backboard cleaning
FDA				
OSHA				
July 21, 2105 Telephone Call & Letter	OSHA Compliance Officer	Fire exits, fire equipment, and electrical panels are regularly blocked	Resolved	Education, monitoring, work flow assessed
TJC				
June 9, 2015		Incorrect dose of Insulin ordered identified by family before administered, Patient Relations response time & lost blood specimens	Resolved	Process to place specimens with designated staff who can send specimens when canister available
June 8, 2015		Inadequate post- operative pain management for Orthopedic spine patient & breech in infection control practices		Two instances in breach of infection control practice substantiated. All staff reeducated and competency validated.
January 15, 2015		Patient education, communication & physician oversight, medical records release of information		Educational materials were developed, the Informed Consent form was revised to enhance patient understanding, education was provided for better understanding of the release of medical information process
July 15, 2014		Patient Relations, Discharge Planning & acceptable standard of care	Resolved	No substantiated allegations
Date	**Agency**	**Investigation**	**Status**	**Disposition**

DOHC1251

July 14, 2014		ACLS Certification in MICU: Medical ICU (MICU) not covering Advanced Cardiac Life Support (ACLS) for all critical care nurses, The unit is letting ACLS certifications expire, The unit is offering to renew based upon seniority	Resolved	No substantiated allegations
July 11, 2014		EPIC Downtime: Medical Records down with no back up available, All except emergency operations were cancelled, Blood Bank lost all records of Blood Types for transfusion, Times when drugs had been given and were due were lost, Allergy Information was unavailable, Bowel Preps given and procedures cancelled, A Root Cause Analysis is in order	Resolved	Business Continuity Access(BCA) stations that did not function appropriately were remediated and additional software was acquired to monitor BCA workstation status by Information Technology Services (ITS) , other allegations were found to be unsubstantiated

Exhibit 18

L+M and Hospital Entities

DOHC1255

Westerly Hospital

Licensure or Certification Citations and/or Enforcement Actions

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)
September 18-20, 2013	DNV (Det Norske Veritas)	Deeming Accreditation Survey	Closed	Corrective action plan submitted and accepted
September 4-5, 2013	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted
November 4, 2013 (concluded)	RI DOH	Unannounced Survey, investigation of reportable events and patient complaints	Closed	Corrective action plan submitted and accepted
July 29-30, 2014	DNV	Annual Accreditation Survey	Closed	Corrective action plan submitted and accepted
June 20, 2015	CMS/RI DOH	Patient Safety Survey (Discharge Planning, Infection Prevention & Patient Safety)	Closed	No action plan required.
June 2, 2015 – June 4, 2015	TJC (The Joint Commission)	Deeming Accreditation Survey	Open	Corrective action plan submitted and accepted on August 3, 2015
April 8, 2013	College of American Pathologists (CAP)	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2013).
April 10, 2015	CAP	Lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (WH CAP 2015).

DOHC1256

Lawrence + Memorial Hospital

Licensure or Certification Citations and/or Enforcement Actions

Date	Agency	Investigation	Status	Disposition (Corrective Action Plan)
May 30, 2012	CMS	Deeming status survey (substantial allegation survey – response to complaint)	Closed	Corrective action plan submitted
January 10,2013	CT DPH	Unannounced survey	Closed	Corrective action plan submitted on June 3, 2013
November 27, 2013, concluding on January 6, 2014	CT DPH	Unannounced survey (conducting multiple investigations and monitoring visits during strike)	Closed	Corrective action plan submitted on January 27, 2014
April 19, 2013	JC (Joint Commission)	Reaccreditation survey	Closed	Reaccreditation received
April 4, 2014	CT DPH	Unannounced survey (multiple investigations	Inactive	Complaints investigated; no further inquiry from DPH
January 12-January 16, 2015	CT DPH	Unannounced survey (multiple investigations and licensure survey)	Open	Corrective Action plan submitted
January 16, 2015	CMS	Unannounced survey (substantial allegation survey)	Closed	No action plan submission required.
July 27, 2015	CT Dept of Consumer Protection	Investigation of internal controls for maintenance of controlled substances	Closed	$5,000 penalty paid to satisfy alleged deficiency. Internal controls corrected.
November 16, 2012	College of American Pathologists (CAP)	L+M lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (LM CAP 2012)
October 23, 2014	CAP	L+M lab accreditation inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (LM CAP 2014)
March 2013	DPH	L+M lab inspection	Closed	No deficiencies (DPH CER LM X2015)
January 13, 2015	DPH	L+M Lab inspection	Closed	Deficiencies identified were corrected, and lab was issued license (DPH CERT LM X 3 31 17)
November 16, 2012	CAP	Pequot Lab inspection	Closed	Deficiencies identified were corrected, and lab was

				reaccredited (PQ CAP 2012)
October 23, 2014	CAP	Pequot Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (PQ CAP 2014)
February 2013	DPH	Pequot Lab inspection	Closed	No deficiencies identified. Lab issued license (DPH CERT PEQ X 3 15)
March 13, 2015	DPH	Pequot Lab inspection	Closed	No deficiencies. Lab issued license (DPH CERT PQ X# 31 2017)
February 18, 2014	CAP	Cancer Center Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 2 2014
October 23, 2014	CAP	Cancer Center Lab inspection	Closed	Deficiencies identified were corrected, and lab was reaccredited (CC CAP 10 2014)
October 7, 2013	DPH	Cancer Center Lab inspection	Closed	No deficiencies identified, and lab was issued license (DPH CER CC X 12 15)
November 4, 2014	DPH	Flanders draw station inspection	Closed	Deficiency identified was corrected, and license was issued (FLA DPH 2014)

DOHC1257

YNHHSC and Hospital Entities

RI HCA DOH Q18-FOLDER 3.1.19,

18. Please provide a list of pending or adjudicated citations, violations or charges against the Transacting Parties and their affiliates brought by any governmental agency or accrediting agency within the past 3 years and the status or disposition of each.

Agency	YNHHS Entity	Nature of Charge	Date of Charge	Disposition
Connecticut Commission on Human Rights and Opportunities (CHRO)/Equal Employment Opportunity Commission (EEOC)	Yale-New Haven Hospital	Charge brought by EEOC in Tameka Miller Jackson v. YNHH – claim of wrongful termination based on a disability.	September 11, 2013	YNHH disputes the allegations in this charge, and the case is in the discovery phases with a trial date scheduled for January 26, 2016.
CHRO/EEOC	Yale-New Haven Hospital	Charge brought by EEOC in Bhagmettie Perreira v. YNHH - claim of wrongful discharge based on national origin and ancestry.	August 2, 2013	YNHH disputes the allegations in this charge, and the case is scheduled for trial on June 21, 2016.
Connecticut Office of Health Care Access (OHCA)	Yale-New Haven Hospital	Notice of Civil Penalty for failing to obtain Certificate of Need approval to purchase a SPECT/CT Camera	February 20, 2014	Hearing requested and held; penalty was waived in its entirety.
OHCA	Greenwich Hospital	Notice of Civil Penalty for failing to obtain Certificate of Need approval for closure of dental clinic.	October 4, 2012	Hearing requested and held; penalty was waived in its entirety.
OHCA	Yale-New Haven Hospital	Notice of Civil Penalty for failing to obtain Certificate of Need approval for closure of Guilford pediatric site	September 24, 2014	Hearing requested and held; penalty was waived in its entirety.
Connecticut Department of Energy and Environmental Protection	Yale-New Haven Hospital	Notice of Violation regarding overfill alarm on fuel tank.	April 29, 2013	YNHH remedied the violation and timely submitted the required Compliance Statement; no further action was taken.

None for Bridgeport Hospital

Exhibit 19

L+M and Hospital Entities

(None for Westerly Hospital)

Lawrence + Memorial Hospital
Other Government Investigations

Agency	Date or Reference #	Complaint	Status	Disposition/Finding	L+M Entity Involved
CMS/OCR	11-130815	Impermissible disclosure of health information	Closed 9/21/12	Sufficiently addressed through L+M voluntary action - no further action required.	L+M Hospital
CMS/OCR	12-133930	Impermissible disclosure of health information	Closed 3/5/12	No violation, employment records that are not under the purview of the Privacy Rule.	L+M Hospital
CMS/OCR	CMS CHIG11	CMS conducted a substantial allegation survey on 5/30/12	Closed 6/11/12 See note (1)	Received letter on 6/11/12 from CMS stating that L+M was in compliance with the Medicare Conditions of Participation for Hospitals	L+M Hospital
CMS/OCR	12-143868	Failure to Safeguard PHI	Closed 3/11/13	Sufficiently addressed through L+M voluntary action - no further action required.	L+M Hospital
CMS/OCR	13-151471	Impermissible disclosure of health information	Closed 2/14/13	Unsubstantiated	L+M Hospital
OCR	01-14-173968	Discrimination on the Basis of National Origin and Failure to Provide an Interpreter (Title VI)	Closed 3/16/15 See note (2)	Insufficient evidence to substantiate the claim and sufficiently addressed through technical assistance provided to L+M.	L+M Hospital
OSHA	813785 4/16/13	Hazards relating to mold exposure	Closed	Plan of action submitted. No penalties assessed.	L+M Hospital
OSHA	July 1015	Handling of radioactive isotope spill	Closed See note (3)	Settlement agreement entered	L+M Hospital
NLRB	01-CA-104694, 01-CA-104058, 01-CA-097374	Unfair labor practice investigation involving alter ego claims, unilateral modification of contract and relocation/subcontract of work on 7/18/13	Closed 1/29/14 See note (4)	Settled through Global Settlement	L+M Corporation, L+M Hospital, L+MMG
NLRB	01-CA-118233	Unfair labor practice investigation involving failure to reinstate strikers and related claims on 12/4/13	Closed 1/29/14 See note (4)	Settled through Global Settlement	L+M Hospital
CHRO	1440161 1440162	Failure to maintain interpreter services for deaf and hard of hearing patients	Closed 7/18/14 See note (5)	Settlement agreement entered	L+M Hospital

DOHC1262

Lawrence + Memorial Hospital

Other Government Investigations - Supplement

The following notes provide additional background for the corresponding items noted on the chart:

(1) CMS CHIG11 relates to a CMS substantial allegation survey which was conducted by the Connecticut Department of Public Health into a matter involving an employee of a private physician practice in the community. The employee of the private practice inappropriately used the practice's access rights to hospital-based records to access the hospital medical records of three family members. L+M provided applicable policies and procedures, audit reports, response letters and a walkthrough of the Health Information Management department during the two day onsite survey by DPH, which concluded with no findings. This incident is also the subject of the OCR compliant 12-143868 which is also listed on the chart and concluded that the Hospital's response adequately addressed the matter.

(2) OCR 01-14-173968 relates to a complaint that a counselor discriminated against an individual based on the limited English proficiency of the individual (the mother of the patient) when the counselor filed a report with the Department of Children and Families about a minor patient and suspected child abuse/neglect. The individual also alleged that L+M did not offer the mother an interpreter. There was insufficient evidence to substantiate the individual's claims that L+M violated Title VI on the basis of national origin. Throughout the OCR investigation, L+M demonstrated compliance with Title VI and updated its policies and procedures related to Limited English Proficiency and Interpreter Services based on technical assistance that OCR provided to L+M.

(3) The OSHA investigation in July, 2015 was triggered as a result of a complaint by an employee made after a student intern accidentally spilled a radioactive isotope in the nuclear medicine department and was sent home with the clothing on which the isotope had spilled. The complaint triggered OSHA to investigate under its newly implemented National Emphasis Program. The inspection has recently concluded and no violations were issued associated with the incident that prompted the complaint. The National Emphasis Inspection however identified four other deficiencies that resulted in a settlement agreement committing to correction of the deficiencies and payment of a penalty of up to $7,500. The identified deficiencies related to the following: (i) failure to update the Exposure Control Plan annually; (ii) failure to annually evaluate need for improved equipment for handling of needles and sharps; (iii) failure to indicate brand of device in sharps injury log; and (iv) failure of certain departments to complete annual bloodborne pathogens training on time.

(4) The NLRB charges were all related to (i) an alleged failure to bargain regarding a transfer of services to an L+M Healthcare affiliate; and (ii) a lock out of RN and LPN/Tech bargaining unit employees following a strike.

The Global Settlement agreement, which was approved by the NLRB, addressed the following issues:

- Resolution of outstanding Unfair Labor Practice Charges related to a 2013 strike and lock out involving RN and LPN/Tech bargaining units.
- Employees whose jobs were impacted by LMMG physicians providing patient care in a setting outside Lawrence + Memorial Hospital.

- A tentative agreement for two Collective Bargaining Agreements (RN and LPN/Tech) which was later ratified by the membership.
- Limitations on the services Lawrence + Memorial Hospital can reduce or eliminate through transition of services to LMMG until 11/16/16.

(5) The two CHRO complaints 1440161 and 1440162 relate to a complaint that L+M failed to provide a sign language interpreter for two individuals who are profoundly deaf on two dates of service in 2013. A Settlement Agreement was reached with the two individuals in July of 2014 that required additional signage throughout L+M's facilities, updates to policies and procedures, additional training for staff and a regular review of equipment and technology used as auxiliary aids for deaf and hard of hearing patients.

YNHHSC and Hospital Entities

(None for Greenwich Hospital)

RI HCA DOH Q19-FOLDER 3.1.20,

19. Please provide a list of any investigations by federal, state or municipal agencies against the Transacting Parties and their affiliates within the past 3 years and the status or disposition of each.

Agency	YNHHS Entity	Date Commenced	Nature of Investigation	Disposition
United States Department of Labor, Wage & Hour Division	Yale-New Haven Hospital (YNHH)	July 2014	Employee complaint regarding intermittent FMLA leave policy resulted in investigation of YNHH's policies on intermittent leave.	Policy changes made and case administratively closed.
United States Department of Justice/US Health & Human Services Office of Civil Rights (OCR)	Yale-New Haven Hospital (YNHH)		Investigation based on claims of ADA violations by patient. YNHH has denied allegations and provided documentation evidencing compliance.	Pending
US Health & Human Services Office of Civil Rights (OCR)	Bridgeport Hospital (BH)	July 2013	Patient alleged BH employee inappropriately orally disclosed patient's Protected Health Information, and OCR conducted an investigation.	Received notice from OCR there was insufficient evidence to substantiate patient's claim. Investigation closed.
US Health & Human Services Office of Civil Rights (OCR)	Yale-New Haven Hospital (YNHH)	December 2012	Patient alleged YNHH staff impermissibly took pictures of patient's wound, and OCR investigated.	All matters raised in the investigation were resolved and OCR closed the investigation.
US Health & Human Services Office of Civil Rights (OCR)	Yale-New Haven Hospital (YNHH)	July 2015	In July, 2015, the OCR notified YNHH of an investigation into patient allegations that did not appropriately satisfy the complainant's request for amendment to his/her medical record. The OCR provided YNHH a request for additional information to support their investigation of this complaint.	YNHH has responded to and provided all requested documents to the OCR, but a final decision has not yet been issued.
USHealth & Human Services Office of Civil	Yale-New Haven Hospital (YNHH)	January 2015	Complainant alleged YNHH disclosed more than the minimum necessary amount of protected	YNHH agreed to the OCR's request. Based on these

Rights (OCR)			health information ("PHI") when providing PHI to a collection agency for payment purposes. The OCR provided YNHH with Health Insurance Portability and Accountability (HIPAA) training material to distribute to YNHH staff and instructed YNHH to resolve this complaint directly with the complainant.	instructions, the OCR closed this case without further action.
US Health & Human Services Office of Civil Rights (OCR)	Yale-New Haven Hospital (YNHH)	March 2012	OCR requested that Yale-New Haven Hospital respond to a patients' complaint as to why s/he had not received records that were requested. After a complete review and discussion with Connecticut's Attorney General's Office and determination by them that the records being requested were in fact part of the patient's medical record, YNHH provided the requested documents to the patient.	YNHH agreed to the OCR's request. Based on these instructions, the OCR closed this case without further action.
US Health & Human Services Office of Inspector General (OIG)	Yale-New Haven Hospital (YNHH)	September 2012	In 2012, YNHH collaborated with the OIG on a Medicare compliance review for services rendered in calendar years 2010 and 2011. The audit focused on 192 claims that were judgmentally selected as being at potential risk for billing errors. In October 2014, the OIG issued their final report and identified an overpayment amount of $1.708,552.	YNHH repaid $527,848, but is currently appealing $1,180,704
Medicaid Integrity Contractor, Centers for Medicare & Medicaid Services	Bridgeport Hospital (BH)	December 2012	Under contract with CMS as a Medicaid Integrity Contractor (MIC), Island Peer Review Organization (IPRO) conducted an audit of Medicaid claims paid to BH for the period February 16, 2006 - September 14, 2008. In September, 2014, CT DSS issued IPRO's final report in which $10,183.42 was identified in disallowed claims.	BH agreed with IPRO's claim and refunded the dissallowed amount.
National Government Services (NGS)	Yale-New Haven Hospital (YNHH)	September 2014	NGS (under contract to CMS) issued a demand letter to YNHH for outpatient psychiatry group	As requested, YNHH refunded NGS $2,819. YNHHS has

DOHC1265

			therapy billing. YNHH was inadvertently receiving payment at the medical doctor rate for services rendered by an allied health professional.	expanded this review of group therapy billing across all hospital delivery networks. The review is currently in progress. Any dollars identified to have been received in error will be refunded to NGS.
US Health & Human Services Office of Inspector General	Yale-New Haven Hospital (YNHH)	July 2014	YNHH collaborated with the OIG in their nationwide review of same-day cardiac catheterizations and heart biopsy surgeries. Three accounts were selected by the OIG for services provided from 2011 and 2012. The OIG was reviewing the appropriate charging of cardiac catheterization and heart biopsy procedures when performed on the same date of service.	On March 24, 2015, YNHH responded to the OIG's request. The OIG has yet to issue a final decision on this review.
Connecticut Office of the Attorney General/Federal Trade Commission	Yale-New Haven Health Services Corporation and Northeast Medical Group (NEMG)	March 2014	The Connecticut Office of the Attorney General (OAG) and the Federal Trade Commission conducted a joint non-public preliminary investigation to determine whether NEMG's acquisition of a medical group would substantially lessen competition and violate the antitrust laws.	YNHHSC and NEMG timely responded to all requests for information, and in July 2014 the OAG closed the investigation without further action.
Connecticut Office of the Attorney General/Federal Trade Commission	Yale-New Haven Health Services Corporation	August 2014	The Connecticut Office of the Attorney General (OAG) and the Federal Trade Commission conducted a joint investigation regarding a proposed joint venture between YNHHSC and Tenet Healthcare	YNHHSC and NEMG timely responded to all requests for information, and in July 2015 the OAG closed the investigation without further action.

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DOHC1266

Exhibit 22

The Joint Commission

August 12, 2015

Re: # 5656
CCN: #410013
Program: Hospital
Accreditation Expiration Date: June 05, 2018

Bruce D. Cummings
President/CEO
LMW Healthcare, Inc.
25 Wells Street
Westerly, Rhode Island 02891

Dear Mr. Cummings:

This letter confirms that your June 02, 2015 - June 04, 2015 unannounced initial survey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on July 31, 2015 and August 07, 2015, The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of August 07, 2015.

The Joint Commission is also recommending your organization for Medicare certification effective August 07, 2015. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is responsible for notifying the State Survey Agency that a recommendation for Medicare certification has been made. Please provide your State agency with a copy of your accreditation report, accreditation award letter, and this Medicare recommendation letter.

This recommendation applies to the following location(s):

The Westerly Hospital Outpatient Physical Therapy Rehab
81 Beach Street, Westerly, RI, 02891

Westerly Hospital
25 Wells Street, Westerly, RI, 02891

Westerly Hospital at Wood River Health Services, Inc.
823 Main Street, Hope Valley, RI, 02832

Westerly Hospital Outpatient Services
45 Wells Street, Westerly, RI, 02891

The Joint Commission

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark Pelletier

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 1 /Survey and Certification Staff

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

Exhibit 23(a)

LAWRENCE + MEMORIAL

May 30, 2014

VIA EMAIL AND REGULAR MAIL

Michael K. Dexter
Chief, Health Systems Development
Health System Development
Rhode Island Department of Health
3 Capitol Hill, Room 407
Providence, RI 02908

RE: First Annual Report Pursuant to Order of Rhode Island Superior Court Approving Sale of Assets of The Westerly Hospital and Related Entities to Lawrence + Memorial Corporation and LMW Healthcare, Inc. – September 10, 2012

Dear Mr. Dexter:

I am writing in connection with the terms of that certain court order issued by the Rhode Island Superior Court on September 10, 2012 (the "Order") in connection with the special mastership proceedings for Westerly Hospital Healthcare, Inc., The Westerly Hospital and its related entities identified as C.A. No. 2011-0781 (the "Mastership Proceeding"). The Order, attached hereto for ease of reference, approved the sale of assets of The Westerly Hospital and its related entities to Lawrence + Memorial Corporation and LMW Healthcare, Inc. in accordance with the terms of the Asset Purchase Agreement entered into by the parties (the "APA"). These transactions also became the subject of filings with your Department under the Hospitals Conversion Act ("HCA") which were approved on April 16, 2013, and which subsequently closed effective June 1, 2013 (the "Closing").

Pursuant to the Order, LMW Healthcare, Inc., now operating under the name Westerly Hospital, and Lawrence + Memorial Corporation (collectively, the "Buyer"), are required to provide the Department with an annual report concerning the status of the Buyer Commitments in the transaction.[1] The purpose of this letter, therefore, is to outline for the Department the

[1] Page 8 of the Order, describing the enforcement of the Buyer Commitments, reads in relevant part: "Beginning on the first anniversary of the Closing of the transactions contemplated by the APA and on each of the following four (4) anniversaries thereof, Buyer shall file, in a form reasonably acceptable to the RIDOH, a written annual report and supporting documentation, concerning progress toward achieving, and compliance with, the Buyer Commitments (the "Annual Report")".

status of the Buyer's Commitments under the APA as of June 1, 2014, the first anniversary of the Closing.

The Buyer Commitments are defined in the Order as the consideration for the purchase outlined in Section 1.6 of the APA as well as Buyer's covenants set forth in Article 10 of the APA.[2] The Buyer Commitments were also summarized in the Order in the manner outlined below. We are providing the first annual post-closing report at this time in a format that restates the Buyer Commitments in the summary form used in the Order and provides a report on each item immediately following. Please note that any defined terms used in this letter that are not otherwise defined shall have the same meaning of such term as defined under the APA.

Buyer's Commitments

1) Assumption (or satisfaction) of over $22 Million in the Westerly Hospital and the Related Entities' liabilities.

Report: Pursuant to Section 1.6(b)(i) of the APA, Buyer assumed over $22 Million in liabilities of Westerly Hospital and its related entities, which included Bank Debt of the Sellers, Bond Debt of the Sellers, Trade Accounts Payable of the Sellers, Third-Party Payor Liabilities of Sellers, Accrued Payroll, and Asbestos Abatement Obligations.

A. Since Closing, Buyer has satisfied the following obligations assumed from the Sellers:

(i) Of $16,065,057 of assumed Trade Accounts Payable, $10,880,026 have been satisfied, and the balance remain to be treated in accordance with the terms of the claims resolution process described in the Order of the Superior Court of Rhode Island dated May 30, 2013 as supplemented and amended by further orders of the Superior Court after such date (collectively, the "Claims Order");

(ii) $7,073,121 in Bond Debt of the Sellers;

(iii) $4,860,642 in Bank Debt of the Sellers; and

(iv) Of $3,093,024 of assumed obligations relating to capital leases, $2,566,037 has been satisfied, with $526,987 remaining as an assumed liability payable in accordance with the terms of the Claims Order.

B. In addition to these amounts, Buyer also assumed and began to carry on its balance sheet the following obligations assumed from the Sellers:

[2] These sections of the APA are provided with this letter for ease of reference.

(i) $2,488,190 in Accrued Payroll (amounts are paid continuously as needed); and

(ii) $1,425,678 for Asbestos Abatement Obligations.

2) Commitment to pay for a "tail" malpractice insurance policy that Westerly Hospital will require upon the sale at an estimated cost of approximately $2 Million.

Report: The Buyer funded the payment for the tail malpractice policy required for Westerly Hospital in the amount of $2,200,000 at Closing.

3) Commitment to pay Closing costs and transactional expenses that Westerly Hospital will incur in the proceeding at an estimated cost of $1.5 Million.

Report: This commitment was discharged at or shortly after Closing. All closing costs and transaction expenses have been paid, including the costs and expenses associated with the Department's regulatory review of the transaction.

4) Commitment to fund "cure" costs not captured in assumed liabilities.

Report: All cure costs related to contracts and capital leases assumed by Buyer at Closing have been paid, representing approximately $2,093,628 of the satisfied liabilities outlined in Section 1 above.

5) Commitment to continue the Westerly Hospital identity and name, including its non-profit status and community mission.

Report: Since the Closing, LMW Healthcare, Inc. has been doing business under the name "Westerly Hospital" and has continued to operate as a non-profit corporation and uphold the community mission of the hospital as described in materials provided to the Department during the HCA process.

6) Commitment to establish a Hospital Board with members drawn from residents of the Westerly service area. Moreover, a commitment to put residents of the Westerly service area on the reconstituted Board of Trustees of the Hospital as well as the Board of Trustees of the Buyer's parent.

Report: On June 24, 2013, Lawrence + Memorial Corporation, as sole member of LMW Healthcare, Inc. (Westerly Hospital), completely reconstituted the Westerly Hospital board to conform to the governance descriptions that had been presented to the Department during the HCA process. The current 11-member board includes seven

individuals who are independent members of the Westerly Hospital community with the remaining four seats being held ex-officio by the CEO of Westerly Hospital (who also serves as the CEO of Lawrence + Memorial Corporation) and three physicians serving as officers of the Hospital's medical staff. Additionally, on June 5, 2013, four new individuals were elected to the board of Lawrence + Memorial Corporation to represent the Westerly Hospital service area, three of whom are independent and one who is a physician on Westerly Hospital's medical staff. Furthermore, in addition to these four individuals, the Chairman of the Westerly Hospital Board of Directors holds an ex-officio seat by virtue of that position on the Board of Directors of Lawrence + Memorial Corporation.

7) Commitment to carry out a broad-based community capital campaign in support of Westerly Hospital and a commitment that such funding will be raised in the Hospital's name and remain for the benefit of the Hospital's non-profit community mission.

Report: Westerly Hospital was prepared to renew and re-commence its fundraising program and activities, under the auspices of the Westerly Hospital Foundation, as soon as the Closing took place. More than 1,000 gifts have been received by Westerly Hospital since June 1, 2013. These have come almost exclusively in the form of gifts from individual residents of the community served by the Westerly Hospital. The purposes for which these gifts have been requested and for which they are being used are determined through the Hospital's capital budgeting process. This process helps to assure that philanthropic support is directed at the highest priority capital needs.

Currently the Hospital, through the activities of the Foundation, is seeking and receiving broad support from donors and these resources are being directed toward identified capital needs for healthcare technology and facility improvements, all of which directly benefit Westerly Hospital and its patients.

Additionally, since closing, Westerly Hospital has completed the statewide community needs assessment, conducted an assessment of current and future provider needs in the community, and been actively involved in multiple planning and assessment activities as part of a comprehensive strategic planning process for all of the L+M affiliated entities scheduled to be completed by the end of July 2014. The results of these processes collectively will further inform the facilities planning process and setting of strategic and operational priorities for Westerly Hospital. Those decisions, once made, will facilitate development of more targeted capital campaign activities on behalf of the Hospital.

8) Commitment to maintain the Westerly Hospital as an acute care, community hospital for a minimum of 5 years after the Closing. Included within this commitment is a commitment not to discontinue clinical services being provided by Westerly Hospital for 2 years after the Closing as more fully set forth in Section 10.1 of the APA. Furthermore, if L+M's targeted goal of a 3% operating margin on a roll-up basis of the Westerly Hospital and Related Entities is achieved, a commitment to augment services.

Report: Since Closing Westerly Hospital has been maintained as an acute care hospital offering the same array of clinical services that it offered as of the Closing.[3] Recently Buyer agreed to extend the commitment to maintain an acute care community hospital for an additional year, as part of the Special Master's 22nd Interim Report approved by the Superior Court on May 23, 2014. Additionally, although a 3% operating margin has not yet been achieved, Westerly Hospital has re-established a plastic surgery program in its array of services as of the end of May, 2014.

9) Commitment to inject $6.5 Million of working capital into Westerly Hospital during the first 2 years after Closing to fund the turnaround plan (subject to final review by Buyer) that the Mastership has begun to bring the Hospital to a state of profitability.

Report: This commitment represents Buyer's commitment to provide funding of operating losses over a two-year period as needed to allow the Hospital to be restored to a state of profitability. Such commitment was based on projections developed using historic loss data and projected savings from initiatives in the turnaround plan, accounting for the time lag involved between implementing an initiative and realizing its benefit.

Because the timing associated with the resolution of various closing conditions extended out the originally anticipated closing date, Buyer and the Mastership collaborated to continue to implement the turnaround plan under the Mastership pending closing and agreed that Buyer would provide cash advances as needed to fund the Hospital's operations pre-closing. Approximately $4,486,000 was injected into Westerly Hospital's operations by Buyer before the Closing to support operations and efforts required to return the Hospital to a state of profitability. This amount was in addition to the significant personnel and management resources provided by Buyer to Westerly Hospital as part of its interim advisory services that enabled more rapid execution of turnaround initiatives. As a result of those efforts, the Hospital has posted consistent positive operating margins in the first eleven months of operations since Closing (through April, 2014).

10) Consistent with the commitments to continue the mission of the Hospital and maintain it as an acute care, community hospital, a commitment during the first 5 years after Closing, to make or incur contractual obligations to make $30 Million in capital expenditures including without limitation, investment in technology, equipment, and/or expanded services.

Report: In the first year since Closing, Westerly Hospital has already expended $1,998,227 in capital expenditures and has made commitments for $3,632,236 in

[3] The Department had approved the former Westerly Hospital's discontinuation of obstetrical services immediately prior to the Closing.

additional capital expenditures. Such expenditures are slated for Information Technology updates, space renovation for staff, parking lot refurbishing, roof replacement, a CT Scan replacement and other clinical equipment needs.

11) Commitment to offer employment, commencing on the Closing Date to all union and non-union clinical, trade and services personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, a further commitment to maintain certain minimum staffing levels per adjusted average occupied bed.

Report: At the time of the Closing, LMW Healthcare had offered continued employment to all clinical, trade and services personnel from the Hospital's existing workforce. Approximately 661 individuals from Westerly Hospital's existing workforce became employed by the new entity (LMW Healthcare) at Closing. Since Closing, Westerly Hospital has maintained staffing levels per adjusted average occupied bed in excess of the target of 4.2 FTEs per adjusted average occupied bed.

12) Commitment to assume physician contracts and to strengthen the Westerly Hospital's relationship with the physician community (subject to Buyer's due diligence review, including but not limited to, compliance with law, inclusive of current review being undertaken by the U.S. Department of Health and Human Services, Office of the Inspector General, and the U.S. Attorney).

Report: At Closing, LMW Healthcare, Inc. (now doing business as Westerly Hospital), assumed physician contracts relating to the clinical and administrative operations of the Hospital, including arrangements for pathology services, radiology services, hospitalist services, ICU coverage, and numerous Department Chief and Medical Director arrangements as well as entered into a new arrangement for physician services in the Emergency Department. The Hospital also continued numerous space lease arrangements with private practices serving the Westerly Hospital service area. The Hospital's affiliate, L+M Physician Association, Inc., brought an additional 17 Westerly Hospital-affiliated physicians and 5 non-physician providers into its employ and continued the operation of several practice locations serving the Westerly Hospital service area.

Since Closing, Westerly Hospital completed a comprehensive Medical Staff Development Plan ("MSDP") specific to Westerly Hospital's primary service area to assess current and future physician needs based on population, demographics, use rates, and existing physician supply in the service area. The MSDP shows the highest manpower needs in the service area relate to primary care and certain surgical specialties.

In addition, physician recruitment to sustain and increase access to care in the Hospital's service area has been actively ongoing since Closing. Recruitment efforts through L+M Physician Association, Inc. successfully recruited three primary care physicians (1 family practitioner, 2 OB/GYNs), three specialists (general surgeon, orthopedic surgeon and dermatologist), two Physician Assistants (PAs) and three Advanced Practice Registered Nurses (APRNs) to the Westerly Hospital service area since the Closing.

13) Commitment to expedite the Rhode Island Hospital Conversion Act and Change in Effective Control process.

Report: As the Department is already aware, the Rhode Island Hospital Conversion Act and Change in Effective Control processes were pursued promptly once the court's sale order entered, leading to final decisions approving the transaction from the Rhode Island Attorney General's office on April 16, 2013, and from the Rhode Island Department of Health on April 17, 2013.

14) During the critical period between the Sale Hearing and the completion of the Hospital Conversion Act process, a commitment pursuant to the Interim Advisory Agreement to loan monies to the Hospital to cover operational losses.

Report: Buyer provided interim advisory services and loaned monies to the Hospital during the period between the Sale Order and Closing so as to facilitate a Closing on June 1, 2013.

15) A commitment to fund the lease obligations (approximately $68,000 per month) for the North Stonington Health Center up and until Closing subject to the Special Master deeming such payments necessary in his discretion.

Report: Buyer provided the Special Master for the period prior to Closing with approximately $840,000 in order to fund the lease obligations for the North Stonington Health Center; although the Closing itself did not include acquisition of the North Stonington Health Center.

We hope that the foregoing information will enable the Department to conclude that to date the Buyer has satisfactorily honored the Buyer Commitments under the APA. We are happy to provide additional information as the Department may find necessary to assess the status of any particular commitment. Please contact me at (860) 442-0711 ext. 4416 or manderson@lmhosp.org if you have any questions or require anything further.

Sincerely,

Maureen J. Anderson
Vice President/General Counsel

cc: Victor Milione, Esq.
Stephen Zubiago, Esq.
Jodi Bourque, Esq.
W. Mark Russo, Esq.

Execution Copy

ASSET PURCHASE AGREEMENT

AMONG

W. MARK RUSSO, ESQ., THE COURT-APPOINTED SPECIAL MASTER
FOR WESTERLY HOSPITAL HEALTHCARE, INC.;
THE WESTERLY HOSPITAL;
ATLANTIC MEDICAL GROUP, INC.;
OCEAN MYST, MSO, LLC;
WOMEN'S HEALTH OF WESTERLY, LLC; AND
NORTH STONINGTON HEALTH CENTER, INC.
Washington County Superior Court, WB2011-0178
(Stern, J)

AND

LMW Healthcare, Inc., a Rhode Island nonprofit Corporation, and

LMW Physicians, Inc., a Rhode Island nonprofit Corporation

[SUBJECT TO THE APPROVAL OF THE COURT]

(iii) except as described in Section 10.6, any Liability relating to the Sellers' Employees (whether current, former or retired) who are not Transferred Employees, including Liabilities under any Plan or Multiemployer Plan or Multiple Employer Plan for all wages, salary, sick leave pay, vacation pay, unemployment benefits, post-employment benefits, salary continuation, termination, disability, death, retirement, health, medical, pension or welfare benefits (including for this purpose all Liabilities and obligations arising under the Plans); and

(v) any Liability related to penalties, fines, settlements, interest, costs and expenses to the extent arising out of or incurred as a result of any violation by the Sellers prior to the Effective Time of any law or order.

1.6 Purchase Price

(a) Subject to the terms and conditions hereof and as consideration of the purchase and sale of the Assets (the "Purchase Price") shall be equal to:

(i) Sixty Nine Million One Hundred Thirty Eight Thousand, Six Hundred and Fifty Three Dollars ($69,138,653.00);

(b) The Purchase Price shall be payable as follows:

(i) Twenty Two Million, Sixty-Nine Thousand, Six Hundred and Sixty Six Dollar ($22,069,666.00) shall be satisfied by Buyer's assumption of Liabilities more specifically set forth in Schedule 1.1, which includes the Bank Debt of Sellers, the Bond Debt of Sellers, Trade Accounts Payable of Sellers, Third Party Payor Liabilities of Sellers, Accrued Payroll, and Asbestos Abatement Obligations;

(ii) Seller's retention of cash, cash equivalents and short term investment as of the Effective Time estimated in the Peg Balance Sheet to be in the amount of Five Million Eight Hundred Ninety-Six Thousand Nine Hundred and Eighty-Seven Dollars ($7,296,987.00);

(iii) Payable at Closing by payment of the premium for the "tail" insurance required by Buyer pursuant to Section 2.13 estimated to be Two Million Dollars ($2,000,000.00);

(iv) Thirty Million Dollars ($30,000,000.00) that shall be satisfied by Buyer's performance of Capital Expenditure Commitment as more specifically set forth in Section 10.1; and

(v) Six Million Five Hundred Thousand Dollars ($6,500,000.00) shall be satisfied by Buyer's performance of a Commitment to Fund the Plan of Profitability as more specifically set forth in Section 10.5.

(vi) In Seller Incurred Closing Costs, including Sellers' Transaction Expenses estimated to be One Million Five Hundred Thousand Dollars ($1,500,000.00).

(vii) By Buyer's performance of its commitment to fund leasehold obligations of the North Stonington Health Center as more specifically set forth in Section 10.9 estimated to be Six Hundred Seventy Two Thousand ($672,000.00), and

(viii) The difference between $8,900,044.00 and the aggregate dollar amount of the Purchased Accounts Receivable as of the Effective Time; and

(ix) The Deposit of Five Hundred Thousand Dollars ($500,000.00) shall be considered part of the Purchase Price and shall be released from the Escrow Agent to the Special Master at the Effective Time, provided, the amount of the Deposit and in the event of a Cash Excess the Cash Excess shall be deposited with an institutional escrow agent selected by the Buyer or such other escrow agent mutually agreed to by the parties, for a period of at least nine (9) months pursuant to an escrow agreement substantially in the form of Exhibit I.6 hereto (the "Sellers' Indemnification Escrow Agreement") which amount shall be held and disbursed by the escrow agent in accordance with the terms of the Escrow Agreement (the "Sellers' Indemnification Escrow") to satisfy any Liability of Seller under Section 7.2. To the extent there is a Cash Excess, then any Cash in excess of the Peg Cash Amount shall be contributed first to fund the Sellers' Indemnification Escrow so that, together with the Deposit, there shall be $1,000,000 contributed to the Sellers' Indemnification Escrow on the Effective Date next as needed by Buyer to satisfy Liabilities pursuant to Section 1.4(a) and (b) and next to the Special Master.

1.5 Determination of Assumption of Liabilities; True-up.

(a) For purposes of determining the Purchase Price pursuant to Section 1.6, including the amount of the Liabilities to be assumed, Accounts Receivable to be acquired and Cash retained by the Special Master at the Closing in accordance with and subject to the provisions of Sections 1.2(b), 1.3, 1.4, and 1.6, such determination shall be made on or prior to the Closing Date using the Peg Balance Sheet.

(b) On or before ten (10) days prior to Closing, Special Master on behalf of the Sellers shall provide an updated consolidated Balance Sheet as of that most recent reporting date (the "Pre-Closing Balance Sheet"), with the allocation of liabilities and accounts receivable and cash to be consistent with the methodology use in the Peg Balance Sheet. If the parties agree as to the amounts set forth on the Pre-Closing Balance Sheet, then the Purchase Price shall be determined and paid using the Pre-Closing Balance Sheet. If Buyer and Seller disagree, then Closing shall be conducted in accordance with Section 1.7(a) based upon the Peg Balance Sheet and the parties shall resolve any disagreement in accordance with Section 1.7 (c)-(d) below.

(c) Within forty five (45) days after the Closing Date, Buyer will prepare and deliver to the Special Master a schedule setting forth the calculation of Closing Date Purchased Accounts Receivable, Assumed Liabilities and Cash, and a certificate setting forth the final Purchase Price calculated after reflection to such amounts (the "Post Closing Statement"). The Post Closing Statement shall be prepared by Buyer in accordance with GAAP, consistently applied, and will be used to determine the final Purchase Price.

10. PARTICULAR COVENANTS OF BUYER.

10.1 Commitment to The Westerly Hospital Mission as an Acute Care Community Hospital

From the Closing Date until the date which is five (5) years after the Closing Date, Buyer shall maintain the Hospital as an acute care community hospital. In addition, from the Closing Date until the date which is two (2) years after the Closing Date, Buyer shall commit not to discontinue any clinical service (including maternity) being provided by the Hospital as of the date of the Sale Order (so long as there are no safety or quality issues associated with provision of such clinical service and so long as such clinical service is still being provided by the Hospital immediately prior to the Closing Date and so long as there are no safety or quality issues associated with provisions of such clinical service based, among other things, upon the volume of service provided in such a clinical setting as reviewed by the Hospital Board). Additionally, post-Closing, Buyer expects to augment services so as to achieve a three percent (3%) operating margin on a roll-up basis of The Westerly Hospital and Related Entities.

10.2 Commitment to the Name "Westerly Hospital" and The Westerly Hospital Charity Care Mission

After Closing, Buyer shall commit to continue the Hospital identity and name, nonprofit status and community mission. Buyer expects to carry out a broad-based community capital campaign in support of the foregoing and commits that all such funding will be raised in the Hospital's name and remain for the benefit of the Hospital nonprofit and community mission. Buyer commits to maintain charity care responsibilities and services consistent with levels historically maintained by The Westerly Hospital. Finally, any restricted funds or charitable bequests transferred to Buyer as part of the Transaction shall be used for such purposes and in compliance with any and all restrictions for the benefit of the Hospital community.

10.3 Commitment regarding Post-Closing Governance

Post-Closing, The Westerly Hospital and Related Entities shall be reestablished as subsidiaries of Buyer's parent. Buyer commits that post-Closing, representatives of the Westerly community shall be included in the reconstituted Board of the Hospital (the "Hospital Board"), as well as the Buyer's parent's Board.

10.4 Commitment regarding Capital Expenditures

During the first five (5) years after Closing, Buyer shall make, or incur binding contractual obligations to make, capital expenditures in connection with the operation of the Business, including, without limitation, investment in technology, equipment, and/or expanded services, in an aggregate amount of Thirty Million Dollars ($30,000,000.00) (the "Capital Expenditure Commitment").

10.5 Commitment regarding the Funding of the Plan of Profitability

Post-Closing and for the first two (2) years thereafter, the Buyer shall commit Six Million Five Hundred Thousand Dollars ($6,500,000.00) to fund the Plan of Profitability (each

$6,500,000.00 is referred to as the "Commitment to Fund the Plan of Profitability"), which Plan was developed during the Mastership to return The Westerly Hospital to a level of profitability and which Plan remains subject to revision upon review by Buyer (the "Plan of Profitability").

10.6 Commitment regarding Employees.

(a) Consistent with Buyer's commitment to maintain the Hospital's current array of clinical services and to maintain the Hospital as an acute-care community hospital, Buyer shall offer employment, commencing on the Closing Date to all union and non-union clinical, trade and services personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, after satisfactory review of Sellers Plan to Profitability and employment data, Buyer expects to offer employment to substantially all of the Hospital's other employees. Notwithstanding the foregoing, Buyer shall not assume any of the collective bargaining agreements of the Sellers unless and until the extensions and amendments of such collective bargaining agreements anticipated to be obtained by the Special Master are satisfactory to the Buyer in its sole discretion. Agreement by the unions to the terms and conditions of any such amended and restated collective bargaining agreements shall be a condition of the Closing. Buyer recognizes United Nurses and Allied Professionals ("UNAP") as the bargaining agent for the Sellers' unionized personnel and will bargain in good faith with the Special Master and the UNAP representatives for modification of the collective bargaining agreements recognizing the Special Master has conveyed to UNAP the need for reasonable concessions moving forward. Buyer shall not assume any withdrawal liability arising in connection with the Transaction, including but not limited to claims by the PBGC, but shall use commercially reasonable efforts to support the Special Master's negotiation of the amended and restated collective bargaining agreements.

(b) Subject to the terms of the CBA, as of the Effective Date, Buyer shall take the following actions: (i) waive any limitations regarding pre-existing conditions and eligibility waiting periods under any health plans maintained for the benefit of the Transferred Employees (prior periods of eligibility and vesting (but not for purposes of benefit accruals) under the plans and policies of Buyer, treat all service by Transferred Employees with Sellers prior to the Effective Date as service with Buyer, and (iii) provide such other treatment as may be set forth in Schedule 10.6(b) hereof.

(c) With regard to those Employees being offered employment with Buyer, Buyer shall provide Seller with a list of those Employees per terms set forth on Schedule 10.6(b) (the employees who accept such an offer and commence employment with Buyer are collectively referred to herein as "Transferred Employees"). Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyer with respect to employees. Nothing herein shall be deemed to create or grant to any such employee or Transferred Employee third party beneficiary rights or claims or causes of action of any kind or nature. Buyer shall be responsible for compensation, benefits and continuation coverage pursuant to the requirement of Code section 4980B and Part 6 of Title I of ERISA ("COBRA Coverage") with respect to such of the Transferred Employees whose qualifying event occurs on or after the date on which they become Transferred Employees. With regard to Employees who are not Transferred Employees responsibility of Buyer or Seller for COBRA Coverage will be determined with regard to COBRA and any other applicable Federal law. Any claims for severance and accrued benefits

made by any Employees who are not Transferred Employees shall constitute claims in the Masterships and shall not be a Liability of the Buyer.

(d) Buyer's Commitment to Expedite Hospital Conversion Act ("HCA") Process

After entry of the Sale Procedures Order, the Special Master on behalf of the Sellers shall prepare the facility specific aspects of an HCA application and deliver the same to Buyer on or before the date that is thirty (30) Business Days prior to the Deadline for Qualified Bids. Seller shall file a complete HCA application within forty five (45) days of the Sale Order, if the Buyer is selected by the Court as the highest and best proposal. The Buyer shall commit, subject to regulatory approval, to advance funds to allow the RIDOH and RIAG to engage professionals to expedite the HCA process. However, such advances shall be considered administrative expenses if the conversion is rejected for reasons other than Buyer's fitness.

10.7 Commitment to Advance Physician Relations

Subject to Due Diligence, Buyer commits to assume physician contracts and to strengthen The Westerly Hospital relationship with the physician community.

10.8 Commitment to Provide Interim Advisory and Funding of Interim Operations.

Upon the entry of the Sale Order, Sellers and Buyer will enter into an Interim Advisory Agreement ("Interim Advisory Agreement") on mutually acceptable terms pursuant to which Buyer will provide certain consulting and administrative services to the sellers at Buyer's cost to maintain the viability of the Assets until the Closing. Such Interim Advisory Agreement shall contain such exculpatory provisions as Buyer shall require and shall obligate Buyer to loan funds to Sellers on a first lien secured priority basis to cover operating expenses for the period from the Sale Order through the Closing ("Interim Operations") provided that (i) such agreement shall be on customary terms as loans made to debtor companies in Chapter 11 bankruptcy proceedings and (ii) shall provide absent an event of default thereunder, repayment of such loan shall be held in abeyance and Buyer shall forbear from collecting until after the Closing Date; and (iii) upon the Closing, Buyer shall forgive the balance of said loan. The goal of funding Interim Operations is to preserve Seller's retention of cash in an amount as set forth in the Peg Balance Sheet. To the extent required, Buyer and Sellers will provide notice to the RIDOH and any other applicable governmental agency of such Interim Advisory Agreement as required by applicable law.

10.9 Commitment to Fund Leasehold Obligation for South Stonington Health Center

From the entry of the Sale Order until Closing, Buyer, if requested by the Special Master shall fund the Special Master's leasehold obligation relating to the South Stonington Health Center not to exceed Seventy Thousand Dollars ($70,000) per month.

10.10 Enforcement of Commitments

Buyer agrees to be bound by an enforcement mechanism of its obligations reasonably acceptable to Buyer, and as ordered by the Court.

10.11 Survival

Notwithstanding any other provision in this Agreement regarding survival of covenants, representations and warranties, including, without limitation, Section 13.17 hereof, Buyer, solely as it pertains to Article 10 hereof, expressly acknowledges and agrees that all representations, covenants and warranties contained in Article 10 shall survive in accordance with the applicable time frames set forth in each such Section contained in this Article 10.

11 PARTICULAR COVENANTS OF SELLERS

11.1 Terminating Cost Report

Sellers shall furnish to Buyer a copy of the terminating cost reports filed timely on behalf of the Hospital in respect of the Medicare and Medicaid programs or any successor governmental program and any others as contractually required by other payors reflecting consummation of the transactions contemplated hereby no later than one hundred fifty (150) days after the Closing. Buyer shall also provide Sellers upon reasonable request with the access necessary for Sellers or their agents to prepare such terminating cost reports as provided in Section 13.9.

11.2 Financial Statements

Following the Closing, each Seller agrees to use its commercially reasonable efforts to provide at Buyer's reasonable request, cause and effect the documents or information required in connection with the performance of an audit of Seller's consolidated financial statements by Buyer and independent auditors selected by Buyer, at the sole cost and expense of Buyer, or the filing of the existing audited consolidated financial statements of Sellers and the preparation and filing of pro forma consolidating financial statements of The Westerly Hospital with and as required by federal or state agencies. Additionally, each Seller will use its commercially reasonable efforts to obtain the consent of its auditors to the filing of the existing audited consolidating financial statements of Sellers by federal or state agencies/commission.

11.3 Treatment of Pension Plan Matters

Without limiting the generality of the definition of Excluded Liabilities, each Seller shall be responsible for all pension benefits accrued by employees of the Business (including any who become Transferred Employees) through the Effective Time in accordance with the terms and provisions of such Seller's defined benefit pension plan, and each Seller will administer the payment of such pension benefits in accordance with the terms and provisions of its defined benefit pension plan and will not transfer any responsibility for such benefits to Buyer.

11.4 Mastership

Special Master and each of the Sellers shall take all commercially reasonable steps necessary to facilitate the provisions of Section 6.6 hereof.

STATE OF RHODE ISLAND
WASHINGTON, SC.

SUPERIOR COURT

CHARLES S. KINNEY, CHIEF EXECUTIVE OFFICER AND TRUSTEE Plaintiff	:	
v.	:	C.A. No. 2011-0781
WESTERLY HOSPITAL HEALTHCARE, INC., THE WESTERLY HOSPITAL, ATLANTIC MEDICAL GROUP, INC., OCEAN MYST, MSO LLC, WOMEN'S HEALTH OF WESTERLY, LLC, AND NORTH STONINGTON HEALTH CENTER, INC. Defendants	:	

SUPERIOR COURT
FILED
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ORDER APPROVING THE SALE OF THE ASSETS OF THE WESTERLY HOSPITAL AND THE RELATED ENTITIES FREE AND CLEAR OF LIENS AND LIABILITIES

On February 28, 2012, this Court heard the Special Master, W. Mark Russo's Petition for Instructions seeking authority to implement a process to secure proposals for the acquisition, strategic partnership and/or repositioning of The Westerly Hospital and the Related Entities. After a hearing thereon and after the procedures were noticed out by the Special Master to parties-in-interest for comment and input, this Court entered an Order dated March 12, 2012, establishing the Mastership Transaction Process (the "Mastership Transaction Process Order" and the "Mastership Transaction Process", respectively).

Furthermore, on June 13, 2012, this Court held a hearing and granted the Special Master's Petition for Instructions (the "Petition"), regarding the Presentation and Acceptance of a Stalking Horse Offer by LMW Healthcare, Inc., and LMW Physicians, Inc., as guaranteed by Lawrence & Memorial Hospital Corporation (collectively, "L&M" or the "Buyer") as set forth in the form of Asset Purchase Agreement (the "APA") attached hereto as *Exhibit A* (except as

otherwise defined herein, the capitalized terms herein are defined in the APA, as may be amended from time to time).[1] The Order authorizing the Special Master to enter into the APA subject to higher and better offers is referenced herein as the "Sales Procedures Order."

The Mastership Transaction Process Order, set forth criteria to which weight would be afforded to preserve The Westerly Hospital and the Related Entities as assets to the community both from the standpoint of healthcare and the regional economy. *See* Mastership Transaction Process Order at ¶¶ 7 and 12.

In accordance therewith, the L&M "Stalking Horse Offer", as embodied within the APA, addressed such weighted criteria as follows:[2]

1. An assumption (or satisfaction) of over $22M in The Westerly Hospital and the Related Entities' liabilities;
2. A commitment to pay for a "tail" malpractice insurance policy that Westerly Hospital will require upon sale at an estimated cost of approximately $2 million;
3. A commitment to pay Closing costs and transactional expenses that Westerly Hospital will incur in this proceeding in the estimated amount of $1.5 million;
4. A commitment to fund "cure" costs which are not captured in assumed liabilities;
5. A commitment to continue the Westerly Hospital identity and name, including its non-profit status and community mission;
6. A commitment to establish a Hospital Board with members drawn from residents of the Westerly service area. Moreover, a commitment to put residents of the Westerly

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[1] The APA is attached without schedules. The schedules are maintained by the Special Master.

[2] To the extent the terms of the APA, as amended hereby, conflict with the summary provided for herein, the terms of the APA shall control.

service area on the reconstituted Board of Trustees of the Hospital as well as the Board of Trustees of the Buyer's parent;

7. A commitment to carry out a broad-based community capital campaign in support of the Westerly Hospital and a commitment that all such funding will be raised in the Hospital's name and remain for the benefit of the Hospital's non-profit and community mission;

8. A commitment to maintain the Westerly Hospital as an acute care, community hospital for a minimum of 5 years after the Closing. Included within that important commitment, is a commitment not to discontinue clinical services being provided by the Westerly Hospital for 2 years after the Closing as more fully set forth in Section 10.1 of the APA. Furthermore, if L&M's targeted goal of a 3% operating margin on a roll-up basis of the Westerly Hospital and Related Entities is achieved, a commitment to augment services;

9. A commitment to inject $6.5 million of working capital into the Westerly Hospital during the first 2 years after Closing to fund the turnaround plan (subject to final review by Buyer) that the Mastership has begun to bring the Hospital to a state of profitability;

10 Consistent with the commitments to continue the mission of the Hospital and maintain it as an acute care, community hospital, a commitment during the first 5 years after Closing, to make or incur contractual obligations to make $30 million in capital expenditures including without limitation, investment in technology, equipment, and/or expanded services;

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11. A commitment to offer employment, commencing on the Closing Date to all union and non-union clinical, trade and services personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, a further commitment to maintain certain minimum staffing levels per adjusted average occupied bed;

12. A commitment to assume physician contracts and to strengthen the Westerly Hospital's relationship with the physician community (subject to Buyer's due diligence review, including but not limited to, compliance with law, inclusive of current review being undertaken by the United States Department of Health and Human Services, Office of Inspector General and the United States Attorney);

13. A commitment to expedite the Rhode Island Hospital Conversion Act and Change in Effective Control process;

14. During the critical period between the Sale Hearing and the completion of the Hospital Conversion Act process, a commitment pursuant to the Interim Advisory Agreement to loan monies to the Hospital to cover operational losses subject to Section 10.8 of the APA. In turn, at Closing, the loan will be forgiven, providing additional value to the Mastership Estate. In addition, pursuant to the Interim Advisory Agreement, Buyer will provide consulting and administrative services to the Sellers at Buyer's cost to maintain the viability of the Assets until the Closing; and

15. A commitment to fund the lease obligations (approximately $68,000 per month) for the North Stonington Health Center up and until Closing subject to the Special Master deeming such payments necessary in his discretion.

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L&M's bid, as above-referenced, was tested during an intensive, competitive bid process. The Special Master and his advisers have diligently and in good faith marketed the Assets to secure the highest and best offer or offers therefor. The culmination of that process, and the fourth and final phase of the Mastership Transaction Process commenced with a hearing to determine the highest and best proposal for the acquisition, strategic partnership and/or repositioning of the Westerly Hospital and Related Entities.

On August 28, 2012, this Court conducted such a hearing as consistent with the Sales Procedures Order. At that hearing, L&M and the Special Master presented an amendment to the APA, a copy of which is attached hereto as ***Exhibit B*** (the APA and the amendment thereto are collectively referenced hereinafter as the "APA"). The amendment to the APA modifies such by, amongst other things, providing for the redemption of the Bonds at or before the Closing and for the satisfaction or assumption of the obligations of the Westerly Hospital and Related Entities to the Washington Trust Company. The APA proposed by Buyer was offered in good faith, from arm's-length bargaining positions without collusion or fraud by the parties so that Buyer is a good faith purchaser.

The Special Master has given due and proper notice of the proposed sale of the Assets to all parties required to receive notice, including without limitation, to each secured party, all holders of Liens and Liabilities of record with respect to the Assets, all of the counterparties to the Material Contracts, all municipalities and licensing agencies, the United States Department of Justice (the "DOJ"), the United States Department of Health and Human Services, Office of the Inspector General (the "OIG"), and any governmental unit having a claim against Westerly Hospital and Related Entities or the Assets, including without limitation the Pension Benefits Guaranty Corporation (the "PBGC") and the Rhode Island Department of Health (the "RIDOH")

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and all entities reasonably known to have expressed an interest in a transaction with respect to the Assets during the past twelve (12) months.

A reasonable opportunity to object or be heard with respect to the Mastership Transaction Process and the relief contemplated thereby, and the rights of third parties to submit higher or otherwise better offers for the Assets, has been afforded to all interested parties and entities.

Under all the circumstances presented, (i) all actions contemplated in the APA; (ii) consummation of all acts contemplated in this Order; (iii) the transfer of the Assets by the Special Master to Buyer; and (iv) the receipt by the Special Master of the Purchase Price are in the best interests of The Westerly Hospital and the Related Entities and their respective estates, creditors, and interest holders.

It is accordingly hereby

ORDERED

1. Subject to Paragraph 2 below, this Court has jurisdiction over these proceedings and all Mastership Assets. The Special Master has provided adequate notice of the relief sought with respect to the sale of the Assets and the relief requested in the Mastership Transaction Process Order and the Sales Procedures Order. Adequate notice and an opportunity to be heard with respect to the Mastership Transaction Process was proper, timely, adequate and sufficient, and reasonably calculated to give actual notice of the relief contemplated hereby, as appropriate under the circumstances, and no further notice is required. Reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to those parties entitled to notice. In addition, supplemental notice has been provided to the PBGC, the RIDOH, the Internal Revenue Service, the Centers for Medicare and Medicaid Services, Peter F. Neronha, as

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United States Attorney, and the United States Department of Health and Human Services, Office of Inspector General, and Gary Donahue of the United States Bankruptcy Trustee's Office.

2. As set forth in the Sales Procedures Order, the Special Master shall be required to seek approval of the United States Bankruptcy Court for the District of Rhode Island in *In Re North Stonington Health Center, Inc.*, B.K. No. 12-11508 (the "Bankruptcy Court") with respect to the necessary authority and approval for the conveyance and transfer of the assets of North Stonington Health Center, Inc. to Buyer. In accord therewith, the Order does not approve the sale of any real or personal property subject to the jurisdiction of the Bankruptcy Court, but is a conditional approval of such sale subject to approval of the Bankruptcy Court so long as that court has jurisdiction over such assets. In turn, the Stipulation read into the record on August 28, 2012, withdrawing North Stonington Properties LLC's Objection and waiving appellate rights is incorporated herein. *See* Transcript of Stipulation attached hereto as *Exhibit* C. No such approval shall be required to convey Assets of any or all other Sellers to the Buyer pursuant to this Order and the APA.

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3. As set forth herein, the Special Master is hereby authorized to sell the Assets as pursuant to the terms of the APA attached hereto and incorporated herein as *Exhibit A and Exhibit B*. The consideration for the sale of such Assets, in large part, is contained in Section 1.6 of the APA and in the particular the Covenants of Buyer set forth at Article 10 of the APA and outlined above (hereinafter, the "Buyer Commitments"). The Buyer Commitments, in addition to the other obligations, covenants and representations set forth in the APA, are guaranteed by the parent company Lawrence & Memorial Hospital Corporation and said guaranty is incorporated into this Order. Moreover, the APA provides that the Buyer agrees to be bound by a mechanism for enforcement of the Buyer Commitments, as reasonably acceptable

to the Buyer and as ordered by the Court. Accordingly, the Buyer Commitments are to be enforced as follows:

a. Beginning on the first anniversary of the Closing of the transactions contemplated by the APA and on each of the following four (4) anniversaries thereof, Buyer shall file, in a form reasonable acceptable to the RIDOH, a written annual report and supporting documentation, concerning progress toward achieving, and compliance with, the Buyer Commitments (the "Annual Report").

b. The RIDOH shall coordinate as appropriate with the Rhode Island Attorney General ("RIAG"), the Rhode Island Secretary of Health and Human Services, the Rhode Island Office of Health Insurance Commissioner, and the Office of the Lieutenant Governor regarding the review of said Annual Reports.

c. In the event the RIDOH alleges a violation of the Buyer Commitments, the RIDOH may seek appropriate relief for enforcement of the applicable Buyer Commitments pursuant to RIGL 23-17-8.

d. The Mastership Proceeding, upon final report and recommendation of the Special Master shall be stayed; provided, however, if after exhaustion of the administrative procedures set forth above there remain unresolved disputes regarding enforcement of the Buyer's Commitments, the stay shall be lifted and any such remaining disputes shall be submitted to the Mastership Court for adjudication; and, provided, further, if no such disputes are submitted to the Mastership

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Court within six (6) months following the fifth anniversary of the Closing, the stay of the Mastership stay shall expire and the Mastership shall terminate.

4. Schedule 10.6 of the APA, the commitments negotiated by and between United Nurses and Allied Professionals and L&M, and the dispute resolution provisions thereof are expressly incorporated herein.

5. The Court hereby finds and holds that effective upon the Closing, the Assets shall be transferred to Buyer pursuant to the APA, as amended hereby, free and clear of all Liens, including, without limitation, any and all encumbrances, pledges, mortgages, deeds of trust, security interest, claims, leases, charges, options, rights of first refusal, puts, calls, easements, servitudes, proxies, covenants, hypothecations, voting trusts, or agreements and transfer restrictions under any agreement, against or with respect to tangible or intangible property or rights, whether imposed by agreement, understanding, law, equity, or otherwise save for and excepting only those liens expressly assumed by Buyer pursuant to the terms of the APA. In addition, said Assets shall be sold to Buyer pursuant to the APA free and clear of all Liabilities, including, without limitation, all causes of action, obligations, demands, guarantees, rights, restrictions, remedies, claims, and matters of any kind and nature whatsoever, whether at law or in equity, including, without limitation, free and clear of any rights or claims based on theories of transferee or success for liability under any applicable law, statute, rule, regulation, common law or equitable principle including, without limitation, ERISA and the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, and the codes of any Governmental Authorities including, without limitation, the PBGC, the RIDOH, the Internal Revenue Service, state and local taxing authorities, Government Reimbursement Programs, and

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any Governmental Authority, whether arising before or after the commencement of the Mastership Proceedings herein and whether imposed by agreement, understanding, law, equity, regulation, custom or otherwise, save and excepting only those liabilities expressly assumed by Buyer in writing under the APA. This Court shall retain jurisdiction to resolve any controversy and claim arising out of or relating to the APA, or the breach thereof, and over any claims against Buyer that are not Assumed Liabilities as defined in the APA. In accordance therewith, the Special Master, effective upon the Closing, shall transfer all right, title and interest in and to the real property in which The Westerly Hospital and the Related Entities have right, title and interest, together with all appurtenances and rights thereto, and all right, title and interest in the leasehold interest to leased real property, which interest, shall be sold, assigned and transferred to Buyer free and clear of any and all mortgages, deeds of trust, security interests, mechanics or other liens, liabilities or encumbrances subject only to Assumed Liabilities. Furthermore, and as consistent therewith, the accounts receivable being acquired by Buyer represent and constitute *bona fide* claims owing to the Westerly Hospital and Related Entities for services actually performed and for goods and supplies actually provided in the amounts indicated on the Financial Statements (as that term is defined in the APA) with no known set-offs, deductions, compromises or reductions (other than reasonable allowances for bad debts and contractual allowances in an amount consistent with historical policies and procedures of the Westerly Hospital and Related Entities). Consistent herewith, the Owned Intellectual Property is deemed an Asset under the APA and the Special Master shall transfer and assign to Buyer all of the right, title and interest of the Westerly Hospital and Related Entities in and to the Owned Intellectual Property under the terms set forth in this Order and the APA. Notwithstanding, all liens, claims and encumbrances not assumed pursuant to the terms of the APA, shall attach to the proceeds of

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the sale of the Assets as pursuant to Paragraphs 6, 9 and 10, herein, in the same order of priority existing as of the Closing.

6. The claims of the PBGC and the United States by and through the United States' Attorney and the Department of Health and Human Services, Office of the Inspector General, once proven and/or resolved, shall attach to the proceeds of the transaction approved hereby. Moreover, the claims of the Rhode Island Division of Taxation, once proven and/or resolved, shall attach to said proceeds in the priority ordered by this Court. Finally, the claims reserved by the Washington Trust Company relative to the leasehold obligations of the North Stonington Health Center, Inc., as guaranteed, if proven, shall attach to such proceeds with the collateral for such claims being subject to the limits of Washington Trust Company's first priority security interest in accounts receivable with the parties reserving all rights in regard thereto, including whether the obligations under said guaranty are secured.

7. In accordance with the terms of the amendment to the APA attached hereto as *Exhibit* the Special Master is hereby authorized on behalf of the Hospital, to provide such notice and take such other action as is reasonably necessary to cause the redemption of the Bond Debt pursuant to the Loan and Trust Agreement including such action necessary for the Hospital to cause a settlement payment to be made to the Bond Trustee for satisfaction and redemption of the Bond Debt pursuant to the Loan and Trust Agreement and constituting a settlement payment pursuant to 11 U.S.C. Sections 101(51A) and 546(e).

8. As of the Effective Date of the APA, if the Buyer accepts automatic assignment of the Hospital's Medicare provider agreement under 42 C.F.R. ss 489.18, the Medicare provider agreement will be governed exclusively by the Medicare statute, regulations, policies and procedures, and without regard to other laws or further orders of this Court. These include, but are not limited to, adjustment of all payments to the Buyer, as the owner of Medicare provider agreement, to account for all prior

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overpayments and underpayments, including those relating to the pre-sale periods. The Buyer may, however, in its sole discretion, elect to reject the otherwise automatic assignment of the Hospital's Medicare provider agreement as of the Effective Date of the APA pursuant to the Medicare statute, regulations, policies and procedures including, among other things, Section 3210.5A of the CMS State Operations Manual by filing with the CMS Regional Office ("RO"), a notice of its refusal to accept such assignment in writing at least 45 calendar days prior to the Effective Date and the Buyer may file an application for an "initial enrollment" in Medicare, effective as of the date on all applicable requirements for such enrollment are satisfied. Notwithstanding the foregoing or anything in this Order, Petition to Sell, or APA to the contrary, the Medicare provider agreement shall not be considered an "asset" that may be sold or transferred, and in particular may not be sold or transferred "free and clear" of any liens or liabilities.

9. Based upon the sale and marketing efforts conducted by the Special Master as consistent with this Court's Orders and this Court's findings that the Special Master satisfied the phased requirements of the Mastership Transaction Process Order, this Court finds that the sale of the Assets to Buyer, upon the terms and conditions of the APA, as amended by this Order, is commercially reasonable, the sales price and the terms set forth therein are fair and reasonable, the sale is made in good faith, Buyer is a *bona fide* good faith purchaser, and that such sale is in the best interest of all creditors of The Westerly Hospital and the Related Entities wherever located. Furthermore, this Court also finds based upon a review of the file materials and the testimony of representatives of L&M that this sale will provide the Westerly Hospital and the Related Entities with the benefit of years of expertise and sound business and financial practices of a highly experienced management team.

10. The Special Master is hereby authorized to execute and deliver immediately, the Interim Advisory Agreement. The Special Master shall report to the Court with regard to the

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Interim Advisory Agreement within seven (7) days of the entry of the Sale Order. Notwithstanding the foregoing or any other provision of this Order or the APA, the Special Master shall file a separate petition with this Court, with notice to creditors and other parties in interest, and an opportunity for a hearing thereon, in connection with any request to borrow funds from the Buyer pursuant to the APA or otherwise. Any such petition shall provide detail regarding the amount of any proposed borrowing, the proposed terms, the proposed collateral, describe whether liens of creditors would be impaired by the proposed borrowing, and the adequate protection proposed for those creditors. All rights and defenses of creditors with respect to such a petition, including without limitation all rights to adequate protection, are reserved. At the Closing, the Special master is authorized to execute and deliver a Special Master's Deed(s), an Assignment and Assumption Agreement, an Assignment and Undertaking Agreement, a Special Master's Bill of Sale, an Assignment of Intellectual Property, and such other deliverables as set forth in Section 2 of the APA, conveying all of his right, title and interest as Special Master in and to the Assets, free and clear of all interest, claims, Liens and Liabilities, as set forth in Paragraph 3 above. Notwithstanding, any such interest, claims, Liens and Liabilities shall attach to the sale proceeds resulting from the sale of Assets in the same order of priority that is currently existing in such Liens or Liabilities. The Special Master shall report to the Court regarding the Closing and then submit to the Court, a proposed schedule for the determination of claims, after this Court's determination of Closing costs and Seller's transaction expenses to be paid by the Buyer pursuant to Sections 1.6(b)(vi), 3.28, and 13.7 of the APA, as well as the proceedings anticipated by Section 1.7 of the APA. Procedures to be recommended by the Special Master and ultimately established by this Court shall allow for the Court-approved distribution of the proceeds of the sale of the Assets to those claims, liens, and encumbrances

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which transfer and attach to the sale proceeds pursuant to the terms of this Order in the same order of priority.

11. All parties asserting a claim, interest, lien or encumbrance against the Assets are hereby directed to execute and deliver to the Special Master within seven (7) days of his written request, mortgage or discharges, lien discharges, UCC financing termination statements and any and all other documents as necessary to evidence the discharge of such interest, claims, liens or encumbrances against the Assets, effective upon the Closing, as the Special Master may determine in his sole discretion to be necessary. All such documents shall be held by the Special Master in escrow pending the occurrence of the Closing Date and shall be released to the Buyer and/or filed and recorded as directed by the Buyer solely at and in connection with the Closing (absent which such documents shall be null and void of be of no force and effect). The execution and delivery of the same shall be without prejudice to or waiver or any and all rights, claims and interests of such parties against the proceeds from the sale of the Assets and such claims, liens and encumbrances shall transfer and attach to sale proceeds in the same order of priority. If any person or entity that has filed a financing statement or other documents or agreements evidencing a Lien or Liability on the Assets shall not have delivered, in proper form for filing, termination statements, instruments of satisfaction, releases, and other documents to the Special Master after seven (7) days of his written request in accordance with this paragraph, then the Special Master shall be and hereby is authorized to, at the Closing, execute such termination statements, instruments of satisfaction, releases, and other documents on behalf of the person or entity and to file the same with any appropriate registry or public filing office. Notwithstanding the foregoing, the provisions of this Order authorizing the sale and assignment of the Assets free and clear of Liens and Liabilities shall be self-executing, effective upon

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Closing and notwithstanding the failure of Buyer, the Special Master, or any other party to execute, file, or obtain releases, termination statements, assignment consents, or other instruments to effectuate, consummate, and/or implement the provisions hereof or the APA with respect to the sale of the Assets and the assumption and assignment of the Assumed Contracts, all Liens and Liabilities on the Assets shall be and hereby are deemed to be divested, terminated, and discharged effective upon Closing.

12. The execution, delivery and performance of the APA by the Special Master and all other agreements referenced herein, or ancillary hereto, to which The Westerly Hospital and the Related Entities are a party, and the consummation of the transactions contemplated herein, are within the Special Master's authority and power subject to this Court's approval as pursuant to the Orders entered by this Court. Other than the express approval of this Court contained herein, the Special Master does not require any approval or consent of, or filing with, any Governmental Authority or agency bearing on the validity of the APA which is required by laws and regulations of any such Governmental Authority or agency. The APA does not conflict with, require consent under, or result in any breach or contravention of, or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument, understanding to which such Seller is a party or by which it is bound or any of its assets subject. The APA does not violate in any material respect the statute, law, ordinance, rule or regulation of any Governmental Authority to which such Seller or its respective assets may be subject. The APA does not violate in any material respect any judgment, decree, order, writ or injunction of any court or any Governmental Authority to which the Seller or its respective assets may be subject.

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13. L&M shall have no liability for any obligations by and between The Westerly Hospital and the Related Entities (defined in the APA as "Intercompany Obligations") and no such liability shall be assumed by L&M under the APA or this Order.

14. The Special Master is authorized to request that as part of the Hospital conversion process that the Buyer become the successor beneficiary to the Westerly Hospital and the Related Entities under that certain Charles A. Morgan Trust and the Louise D. Hoxsey Trust f/b/o Foundation Fund for a Hospital in Westerly, Rhode Island (the "Hoxsey Trust"). Moreover, that the Hoxsey Trust shall be dissolved with the funds being held in endowment for the Hospital under the ownership of the Buyer with the same restrictions as set forth in the Hoxsey Trust being placed upon the endowed funds.

15. Except as expressly permitted by the APA and this Order, all persons or entities holding or asserting any Lien or Liability of any kind or nature with respect to the Assets or business formerly conducted by The Westerly Hospital and the Related Entities shall be, and hereby are, barred from asserting such Lien or Liability against L&M, its successors and assigns, or the Assets, including without limitation, the claims of the DOJ, OIG, PBGC, RIAG and RIDOH.

16. Effective upon the Closing, all persons and entities are forever prohibited and enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding, against L&M or its successors and assigns with respect to any Lien, Liability, encumbrance or claim. Without limiting the generality of the foregoing, except as expressly permitted by the APA and this Order, L&M shall have no liability for any claim against The Westerly Hospital and the Related Entities or its directors, officers, or shareholders.

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17. Except as expressly provided in the APA, the consummation of the APA shall not subject L&M to any Liability whatsoever with respect to the operation of the Business of The Westerly Hospital and the Related Entities in any form or manner whatsoever, including, without limitation, by reason of any theory of successor or transferee liability, de facto merger, or substantial continuity, whether known or unknown and whether asserted or unasserted as of the Closing.

18 The Real Property which The Westerly Hospital and the Related Entities holds right, title and interest is exempt from property taxes as of the effective date of this Order in accord with the Rhode Island General Laws regarding non-profit corporations and all Liens or Liabilities relating thereto are hereby void ab initio. Notwithstanding, the Mastership shall continue to pay real property taxes with regard to 45 East Avenue and 11 Wells Street, Unit 6, up to the date of Closing.

19. At the election of the Buyer, the Special Master shall deliver the assets of the Non-Mastership Estate Related Entities to Buyer pursuant to the terms of this Order and as such, upon delivery of those assets in accordance herewith those entities shall be consolidated within the instant Special Mastership proceeding and any such entities shall be included in the definition of the term "The Westerly Hospital and the Related Entities" as such term is used in the APA and this Order.

20. With regard to the Westerly Hospital Foundation, Inc. and the Westerly Hospital Auxiliary Inc., those entities shall continue to function under the supervision of the Mastership from the entry hereof until Closing. Any donations received by those entities shall be segregated and shall only be utilized for the purposes identified by donors or to further the Hospital's community mission. Upon Closing, delivery of the assets of those entities to the Buyer as

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provided in Paragraph 19 shall be accomplished, at the election of Buyer, by amendment, in a form reasonably satisfactory to Buyer, of their respective Articles of Incorporation and Bylaws thereby substituting LMW Healthcare, Inc. as the sole corporate member of each entity. Donated funds held by any of the Non-Mastership Estate Related Entities and transferred to L&M shall remain subject to any and all restrictions pertaining to such donated funds; specifically, that such funds be used only for the stated intent of the donor and for sole benefit of the Hospital.

21. Notwithstanding that the Assets are being sold free and clear of any and all Liens, Liabilities, claims, and encumbrances, the Special Master shall continue to take appropriate action to complete a "distressed termination" pursuant to Section 4041(c) of ERISA and reasonably cooperate with the PBGC in effectuating the termination of the Pension Plan pursuant thereto.

22. The Court finds and holds that the Hospital is duly licensed as a general acute-care hospital pursuant to the applicable laws of the State of Rhode Island. The pharmacies, laboratories and all other ancillary departments located at the Hospital that operate for the benefit of the Hospital and that are required to be specially licensed, are duly licensed by the RIDOH or other appropriate licensing agency.

23. The consideration provided by Buyer for the Assets under the APA is fair and reasonable, and the result of an open and competitive sales process and the marketing efforts described in the Petition, the Mastership Process Order, the Sales Procedure Order, and those conducted by the Special Master after the filing of the Petition and in accordance with the Sales Procedure Order and the Mastership Process Order culminated in a purchase price negotiated in

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good faith and at arm's length that may not be avoided, nor may costs or damages be imposed or awarded under any applicable law relating to bidder collusion.

24. The failure specifically to include or refer to any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the APA be authorized and approved in its entirety.

25. The APA and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by the Special Master on behalf of The Westerly Hospital and the Related Entities and L&M, and in accordance with the terms of the APA, without further order of the Court so long as such modification is not material; provided that terms in the APA with respect to the Bonds and the Bank Debt of the Sellers shall not be amended without the consent of the Bond Trustee and/or Washington Trust Company. The failure specifically to include or refer to any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the APA be authorized and approved in its entirety.

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26. This Order shall be effective, and the parties may consummate the transactions contemplated by the APA, immediately upon entry. The Special Master is hereby authorized, empowered, and directed, and, upon entry of this Order, shall have all the authority necessary, subject to the terms of this Order, perform such ministerial acts as may be required to effectuate and implement the APA and any transaction contemplated thereby. The Special Master shall cooperate with and take all actions reasonably requested by Buyer to effectuate the APA consistent with the terms of this Order and any transaction contemplated thereby.

27. All of the transactions and actions contemplated by this Order are properly authorized under applicable law and all Orders previously entered by this Court in this

Mastership proceeding. The terms and provisions of the APA and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Buyer its successors and assigns and any affected third parties, including all counter-parties to the Assumed Contracts notwithstanding dismissal of this Mastership Case or the filing of bankruptcy proceeding or similar insolvency proceeding by or against any of the Sellers. The Special Master irrevocably waives any right to seek any material modification of this Order without the prior written consent of L&M, and no such consent shall be implied by any other action, inaction, or acquiescence by L&M, so long as L&M is not in default of the APA or the terms of this Order. The stay provisions of this Order Appointing Permanent Master entered on January 17, 2012 are hereby lifted and modified to the extent necessary to implement the terms and conditions of the APA and the provisions of this Order.

28. This Court shall retain jurisdiction over the parties to the APA with respect to any matters related to or arising under the APA or under this Order and specifically retains jurisdiction to enforce and implement the terms and provisions of the APA, all amendments thereto, any waivers and consents thereunder, and any agreements executed in connection therewith in all respects, including but not limited to, retaining jurisdiction (a) to compel delivery of the Assets to Buyer; (b) to resolve any disputes arising under or related to the APA, except as otherwise provided therein; (c) to protect the Buyer, or the Assets, from and against any Liens, Liabilities, encumbrances or claims; and (d) to interpret, implement, and enforce the provisions of this Order.

29. All acts, doings, and disbursements to date of said Special Master are hereby approved, confirmed and ratified.

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30. Notwithstanding anything stated herein to the contrary, the transactions contemplated by the APA are subject to all of the provisions of the Hospital Conversions Act ("HCA") and the Health Care Facility Licensing Act of Rhode Island ("HCFLA"), and all regulations promulgated under said acts, including without limitation, approval by the RIDOH and RIAG pursuant to the HCA, and a favorable recommendation by the Health Services Council and approval by the Director of RIDOH pursuant to HCFLA, all of which recommendations and approvals must be obtained prior to Closing.

ENTERED as an Order of this Court this 10th day of September, 2012

Per Order:

J.

Entered:

9-10-12 Clerk

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Submitted by:

W. Mark Russo (#3937) Permanent Special Master
for Westerly Hospital Health Care, Inc.,
The Westerly Hospital, Atlantic Medical Group, Inc.,
Ocean Myst MSO, LLC, Women's Health of Westerly,
LLC, and North Stonington Health Center, Inc.,
and not in his individual capacity
Ferrucci Russo P.C.
55 Pine Street, 4th Fl.
Providence, RI 02903
Telephone: (401) 455-1000
Facsimile: (401) 455-7778
Dated: September 6, 2012

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the within was served via e-mail upon the following that is referenced in Schedule A attached hereto on this 10 day of September, 2012:

k:\w\westerly hospital\pleadings\sale order redline 09-06-12.doc

EXHIBIT B

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Execution Copy

AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") is entered into as of August __, 2012 by and among LMW Healthcare, Inc., LMW Physicians, Inc., and W. Mark Russo, Esq. solely in his capacity as the Court-appointed Special Master for Westerly Hospital Healthcare, Inc., The Westerly Hospital, Atlantic Medical Group, Inc., Ocean Myst, MSO, LLC, Women's Health of Westerly, LLC and North Stonington Health Center, Inc.

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of June 20, 2012 (the "Purchase Agreement");

WHEREAS, pursuant to the Purchase Agreement, Sellers have agreed to sell to Buyer, and Buyer has agreed to purchase from Sellers, the Hospital and substantially all of Sellers' assets used to operate the Hospital and the Business.

WHEREAS, the Parties desire to amend the Purchase Agreement to address certain matters that have arisen since the execution of the Purchase Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Purchase Agreement as follows:

Each capitalized term used herein, but not otherwise defined shall have the same meaning as ascribed to such term in the Purchase Agreement.

1. The following definitions set forth in the Purchase Agreement are amended and restated in their entirety:

> "Bank Debt of Sellers" shall mean the principal, interest, reasonable fees and expenses owed to Washington Trust Company ("WTC") (including reasonable professional fees) and other charges with respect to the secured loan obligations more specifically set out in the June 25, 2012 "*Order Allowing Claim of Washington Trust Company and Granting Related Relief*" entered by the Mastership Court.
>
> "Bond Debt of Sellers" shall mean the principal, interest, reasonable fees and expenses of the Bond Trustee (including reasonable professional fees) and other charges with respect to the Bonds, determined pursuant to the Loan and Trust Agreement and the May 31, 2012 "*Order Allowing Revenue Bond Claims and Granting Related Relief*" entered by the Mastership Court.

2. The following definitions are added to the Purchase Agreement:

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"Bonds" means those certain Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds (The Westerly Hospital Issue) Series 1994 issued for the benefit of the Hospital pursuant to the Loan and Trust Agreement.

"Bond Trustee" means U.S. Bank National Association, as successor trustee under the Loan and Trust Agreement with respect to the Bonds, its successors and assigns.

"Loan and Trust Agreement" means that certain Loan and Trust Agreement dated as of January 15, 1994 by and among the Rhode Island Health and Educational Building Corporation, the Bond Trustee and the Hospital.

3. Section 1.2 (h) of the Purchase Agreement is amended by striking the reference in that Section to "Section 1.2(b)" and replacing it with a reference to "Section 1.4(b)."

4. Section 1.3 of the Purchase Agreement is amended by adding the following sentence at the end of the current text:

Buyer is not acquiring any cash, cash equivalents, funds or securities held or controlled by the Bond Trustee under the Loan and Trust Agreement from time to time; provided such monies shall be applied in accordance with the Loan and Trust Agreement including as contemplated by Section 1.6(b)(i) of this Agreement.

5. Section 1.6(b)(i) of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

(i) Twenty Two Million, Sixty-Nine Thousand, Six Hundred and Sixty-Six Dollars ($22,069,666.00) shall be satisfied at Closing by (a) Buyer's assumption of Liabilities more specifically set forth in Schedule 1.4(b), provided: (b) as to the Bank Debt of the Sellers Buyer may elect to either: (i) assume the Bank Debt of Sellers on terms mutually agreeable to WTC and the Buyer or (ii) fund the Sellers' satisfaction of the Bank Debt of Sellers on or before Closing and (c) Buyer's payment to the Bond Trustee at Closing of sufficient Available Monies (as defined in the Loan and Trust Agreement) to, together with any cash, cash equivalents funds or securities then held by the Bond Trustee under the Loan and Trust Agreement, redeem the Bonds then outstanding and otherwise satisfy in full in cash the Bond Debt of Sellers pursuant to the Loan and Trust Agreement (as opposed to assuming said Liabilities itself);

6. Section 2.2 of the Purchase Agreement is amended by deleting the word "and" in subsection (l), deleting the period at the end of subsection (m), inserting a semicolon at the end of subsection (m), and adding the following subsection (n) after subsection (m):

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(n) The Hospital shall deliver to the Bond Trustee such documents, provide such notice and take such other action as is reasonably necessary to cause the redemption of the Bonds and discharge of the Loan and Trust Agreement, including without limitation, written directions to the Bond Trustee to send a notice to bondholders to redeem the Bonds on or before the Closing Date (the "Redemption Date"), which notice shall be mailed no more the sixty(60) nor fewer than thirty (30) days prior to the Redemption Date and which shall otherwise comply with the terms and conditions of the Bonds and the Loan and Trust Agreement.

7. Section 2.3(j) of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

(j) such other documents as may be reasonably requested by any Seller, and, to the extent relating to the assumption of the Bank Debt of the Sellers, by WTC, and to the extent relating to the redemption of the Bonds and/or discharge of the Loan and Trust Agreement, by the Bond Trustee.

8. Section 13.1 of the Purchase Agreement is amended by adding the following sentence at the end of subsection (b):

Notwithstanding the foregoing, no amendment contemplated by this Section 13.1 shall be made with respect to the Bank Debt of the Seller absent the prior written consent of WTC.

Notwithstanding the foregoing, no amendment contemplated by this Section 13.1 shall be made with respect to the Bonds absent the prior written consent of the Bond Trustee.

9. This Amendment shall be effective as of the date hereof and except as expressly provided herein, the terms and conditions of the Purchase Agreement shall remain in full force and effect and unmodified. This Amendment may be executed in counterparts, all of which together shall constitute one binding Agreement. The exchange of copies of this Amendment and of executed signature pages by facsimile transmission or by email transmission in portable digital format, or similar format, shall constitute effective execution and delivery of such instrument(s) as to the parties and may be used in lieu of the original Agreement or amendment for all purposes. Signatures of the parties transmitted by facsimile or by email in portable digital format, or similar format, shall be deemed to be their original signatures for all purposes.

[SIGNATURE PAGES FOLLOW]

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THE UNDERSIGNED each hereby execute this Amendment as of the date first written above.

BUYER:

LMW Healthcare, Inc., a Rhode Island nonprofit Corporation

By:_____
Name: _____
Title: _____

LMW Physicians, Inc., a Rhode Island nonprofit Corporation

By:_____
Name: _____
Title: _____

SELLERS:

WESTERLY HOSPITAL HEALTHCARE, INC.

By:_____
Name: _____
Title: _____

THE WESTERLY HOSPITAL

By:_____
Name: _____
Title: _____

ATLANTIC MEDICAL GROUP, INC.

By:_____
Name: _____
Title: _____

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OCEAN MYST, MSO LLC

By:_____
Name: _____
Title: _____

WOMEN'S HEALTH OF WESTERLY, LLC

By:_____
Name: _____
Title: _____

NORTH STONINGTON HEALTH CENTER, INC.

By:_____
Name: _____
Title: _____

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LAWRENCE+MEMORIAL

May 29, 2015

VIA EMAIL AND REGULAR MAIL

Michael K. Dexter
Chief, Health Systems Development
Health System Development
Rhode Island Department of Health
3 Capitol Hill, Room 407
Providence, RI 02908

RE: Second Annual Report Pursuant to Order of Rhode Island Superior Court Approving Sale of Assets of The Westerly Hospital and Related Entities to Lawrence + Memorial Corporation and LMW Healthcare, Inc. – September 10, 2012

Dear Mr. Dexter:

I am writing in connection with the terms of that certain court order issued by the Rhode Island Superior Court on September 10, 2012 (the "Order") in connection with the special mastership proceedings for Westerly Hospital Healthcare, Inc., The Westerly Hospital and its related entities identified as C.A. No. 2011-0781 (the "Mastership Proceeding"). The Order, attached hereto for ease of reference, approved the sale of assets of The Westerly Hospital and its related entities to Lawrence + Memorial Corporation and LMW Healthcare, Inc. in accordance with the terms of the Asset Purchase Agreement entered into by the parties (the "APA"). These transactions also became the subject of filings with your Department under the Hospitals Conversion Act ("HCA") which were approved on April 16, 2013, and which subsequently closed effective June 1, 2013 (the "Closing").

Pursuant to the Order, LMW Healthcare, Inc., now operating under the name Westerly Hospital, and Lawrence + Memorial Corporation (collectively, the "Buyer"), are required to provide the Department with an annual report concerning the status of the Buyer Commitments in the transaction.[1] The purpose of this letter, therefore, is to outline for the Department the status of the Buyer's Commitments under the APA as of June 1, 2015, the second anniversary of the Closing.

[1] Page 8 of the Order, describing the enforcement of the Buyer Commitments, reads in relevant part: "Beginning on the first anniversary of the Closing of the transactions contemplated by the APA and on each of the following four (4) anniversaries thereof, Buyer shall file, in a form reasonably acceptable to the RIDOH, a written annual report and supporting documentation, concerning progress toward achieving, and compliance with, the Buyer Commitments (the "Annual Report")".

The Buyer Commitments are defined in the Order as the consideration for the purchase outlined in Section 1.6 of the APA as well as Buyer's covenants set forth in Article 10 of the APA.[2] The Buyer Commitments were also summarized in the Order in the manner outlined below. We are providing this second annual post-closing report in the same format as used previously and restating the Buyer Commitments in the summary form used in the Order and providing an updated report on each item that remains an active commitment. Commitments that were discharged at closing or since and are no longer active are noted as such. Please note that any defined terms used in this letter that are not otherwise defined shall have the same meaning of such term as defined under the APA.

Buyer's Commitments

1) Assumption (or satisfaction) of over $22 Million in the Westerly Hospital and the Related Entities' liabilities.

Report: Pursuant to Section 1.6(b)(i) of the APA, Buyer assumed over $22 Million in liabilities of Westerly Hospital and its related entities, which included Bank Debt of the Sellers, Bond Debt of the Sellers, Trade Accounts Payable of the Sellers, Third-Party Payor Liabilities of Sellers, Accrued Payroll, and Asbestos Abatement Obligations.

A. Since Closing, Buyer has satisfied the following obligations assumed from the Sellers:

(i) Of $16,065,057 of assumed Trade Accounts Payable, this condition will be satisfied in accordance with the terms of the claims resolution process described in the Order of the Superior Court of Rhode Island dated May 30, 2013 as supplemented and amended by further orders of the Superior Court after such date (collectively, the "Claims Order") upon the payment of $210,000 to the final remaining claimant in the next thirty days pursuant to that certain Consent Order of the Superior Court of Rhode Island dated May 28, 2015;

(ii) $7,073,121 in Bond Debt of the Sellers;

(iii) $4,860,642 in Bank Debt of the Sellers; and

(iv) Of $3,093,024 of assumed obligations relating to capital leases, $3,035,096 has been satisfied, with $57,928 remaining as an assumed liability payable in accordance with the terms of the Claims Order.

B. In addition to these amounts, Buyer also assumed and began to carry on its balance sheet the following obligations assumed from the Sellers:

[2] These sections of the APA are provided with this letter for ease of reference.

(i) $2,488,190 in Accrued Payroll (amounts are paid continuously as needed); and

(ii) $1,425,678 for Asbestos Abatement Obligations.

2) Commitment to pay for a "tail" malpractice insurance policy that Westerly Hospital will require upon the sale at an estimated cost of approximately $2 Million.

Report: This commitment is no longer active and was satisfied at Closing.

3) Commitment to pay Closing costs and transactional expenses that Westerly Hospital will incur in the proceeding at an estimated cost of $1.5 Million.

Report: This commitment is no longer active and was discharged at or shortly after Closing.

4) Commitment to fund "cure" costs not captured in assumed liabilities.

Report: This commitment is no longer active. All cure costs related to contracts and capital leases assumed by Buyer at Closing have been paid, representing approximately $2,093,628 of the satisfied liabilities outlined in Section 1 above.

5) Commitment to continue the Westerly Hospital identity and name, including its non-profit status and community mission.

Report: Since the Closing, LMW Healthcare, Inc. has been doing business under the name "Westerly Hospital" and has continued to operate as a non-profit corporation and uphold the community mission of the hospital as described in materials provided to the Department during the HCA process.

6) Commitment to establish a Hospital Board with members drawn from residents of the Westerly service area. Moreover, a commitment to put residents of the Westerly service area on the reconstituted Board of Trustees of the Hospital as well as the Board of Trustees of the Buyer's parent.

Report: On June 24, 2013, Lawrence + Memorial Corporation, as sole member of LMW Healthcare, Inc. (Westerly Hospital), completely reconstituted the Westerly Hospital board to conform to the governance descriptions that had been presented to the Department during the HCA process. Currently, the 10-member board of Westerly Hospital includes six individuals who are independent members of the Westerly Hospital

community with the remaining four seats being held ex-officio by the CEO of Westerly Hospital (who also serves as the CEO of Lawrence + Memorial Corporation) and three physicians serving as officers of the Hospital's medical staff. Additionally, four individuals continue to serve on the board of Lawrence + Memorial Corporation as representatives of the Westerly Hospital service area, three of whom are independent and one who is a physician on Westerly Hospital's medical staff. Furthermore, in addition to these four individuals, the Chairman of the Westerly Hospital Board of Directors holds an ex-officio seat by virtue of that position on the Board of Directors of Lawrence + Memorial Corporation.

7) Commitment to carry out a broad-based community capital campaign in support of Westerly Hospital and a commitment that such funding will be raised in the Hospital's name and remain for the benefit of the Hospital's non-profit community mission.

Report: Fundraising and various community activities for Westerly Hospital continue under the auspices of the Westerly Hospital Foundation. Since Closing, Foundation staff, Board members and L+M representatives have met with various donor, civic and business groups to assure them of the Hospital's and Foundation's continued viability and receive questions and suggestions to enhance the efforts of both organizations. The Foundation seems to have at least recovered most of its donor base, which was eroded temporarily while Westerly Hospital was in receivership. In fiscal year 2014, the Foundation received over 1,140 gifts and is trending to have even further support in fiscal year 2015 based on year to date results. The Foundation is also experiencing a larger number of donors supporting its efforts as well as the return of various foundation gifts that had been discontinued during the receivership period. The Foundation is currently planning a major event for several hundred people in July to celebrate Westerly Hospital's 90th anniversary.

The Hospital continues to utilize its capital budgeting process to assure that the Foundation's philanthropic support is directed at the highest priority capital needs. Those needs include healthcare technology, clinical equipment and facility improvements, all of which directly benefit Westerly Hospital and its patients. The Hospital is also nearing completion of a Master Facilities Plan, which has been conducted following a community health needs assessment, provider needs assessment and comprehensive strategic planning process to inform the facilities planning process and setting of strategic and operational priorities. The Foundation is scheduled to hear details of the Westerly Hospital Master Facilities Plan in July and is likely to begin consideration of a capital campaign to support it in the near future.

8) Commitment to maintain the Westerly Hospital as an acute care, community hospital for a minimum of 5 years after the Closing. Included within this commitment is a commitment not to discontinue clinical services being provided by Westerly Hospital for 2 years after the Closing as more fully set forth in Section 10.1 of the APA. Furthermore,

if L+M's targeted goal of a 3% operating margin on a roll-up basis of the Westerly Hospital and Related Entities is achieved, a commitment to augment services.

Report: Since Closing Westerly Hospital has been maintained as an acute care hospital offering the same array of clinical services that it offered as of the Closing.[3] Additionally, Buyer agreed to extend the commitment to maintain an acute care community hospital for an additional year, pursuant to that certain Consent Order Regarding Post-Closing Items of the Superior Court of Rhode Island dated May 23, 2014.

9) Commitment to inject $6.5 Million of working capital into Westerly Hospital during the first 2 years after Closing to fund the turnaround plan (subject to final review by Buyer) that the Mastership has begun to bring the Hospital to a state of profitability.

Report: This commitment represents Buyer's commitment to provide funding of operating losses over a two-year period as needed to allow the Hospital to be restored to a state of profitability. Such commitment was based on projections developed using historic loss data and projected savings from initiatives in the turnaround plan, accounting for the time lag involved between implementing an initiative and realizing its benefit.

Because the timing associated with the resolution of various closing conditions extended out the originally anticipated closing date, Buyer and the Mastership collaborated to continue to implement the turnaround plan under the Mastership pending closing and agreed that Buyer would provide cash advances as needed to fund the Hospital's operations pre-closing. Approximately $4,486,000 was injected into Westerly Hospital's operations by Buyer before the Closing to support operations and efforts required to return the Hospital to a state of profitability. This amount was in addition to the significant personnel and management resources provided by Buyer to Westerly Hospital as part of its interim advisory services that enabled more rapid execution of turnaround initiatives. As a result of those efforts, the Hospital has posted consistent positive operating margins in the first two years of operations since Closing (through April, 2015).

10) Consistent with the commitments to continue the mission of the Hospital and maintain it as an acute care, community hospital, a commitment during the first 5 years after Closing, to make or incur contractual obligations to make $30 Million in capital expenditures including without limitation, investment in technology, equipment, and/or expanded services.

[3] The Department had approved the former Westerly Hospital's discontinuation of obstetrical services immediately prior to the Closing.

Report: Since Closing through April, 2015, Westerly Hospital has already expended $7,280,536 in capital expenditures and has made commitments for $4,651,775 in additional capital expenditures. Such expenditures are slated for Information Technology updates, space renovation for staff and clinical services, and replacement of clinical equipment. This would equate to a total of $11,932,311 in total capital expenditures and commitments to date.

11) Commitment to offer employment, commencing on the Closing Date to all union and non-union clinical, trade and services personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, a further commitment to maintain certain minimum staffing levels per adjusted average occupied bed.

Report: At the time of the Closing, LMW Healthcare had offered continued employment to all clinical, trade and services personnel from the Hospital's existing workforce. Approximately 661 individuals from Westerly Hospital's existing workforce became employed by the new entity (LMW Healthcare) at Closing. Since Closing, Westerly Hospital has maintained staffing levels per adjusted average occupied bed in excess of the target of 4.2 FTEs per adjusted average occupied bed.

12) Commitment to assume physician contracts and to strengthen the Westerly Hospital's relationship with the physician community (subject to Buyer's due diligence review, including but not limited to, compliance with law, inclusive of current review being undertaken by the U.S. Department of Health and Human Services, Office of the Inspector General, and the U.S. Attorney).

Report: LMW Healthcare, Inc. (now doing business as Westerly Hospital) continues to maintain the physician arrangements mentioned in its previous report relating to the clinical and administrative operations of the Hospital, including arrangements for pathology services, radiology services, hospitalist services, ICU coverage, Emergency Department services and numerous Department Chief and Medical Director arrangements. The Hospital also continues to maintain several space lease arrangements with private practices serving the Westerly Hospital service area. Multiple physician practice locations operated by L+M Physician Association, Inc. (doing business as L+M Medical Group) also remain present in both Rhode Island and Connecticut that serve the Westerly Hospital service area.

Informed by a comprehensive Medical Staff Development Plan ("MSDP") specific to Westerly Hospital's primary service that was completed after Closing, physician recruitment to sustain and increase access to care in the Hospital's service area remains active, particularly in the area of primary care. In addition to those providers hired from the former Westerly Hospital- affiliated physician group practices into L+M Medical Group at Closing, recruitment efforts through L+M Medical Group have resulted in the employment of four primary care physicians (1

family practitioner, 3 OB/GYNs), one general surgeon, one orthopedic surgeon, one nurse midwife, a behavioral medicine APRN, seven Physician Assistants (PAs) and three Advanced Practice Registered Nurses (APRNs) who provide services within the Westerly Hospital service area. L+M Medical Group also has obtained commitments from an additional four physicians (primary care and OB/GYN) to commence employment within the next four months who will provide services within the Westerly Hospital service area.

13) Commitment to expedite the Rhode Island Hospital Conversion Act and Change in Effective Control process.

Report: This commitment has been discharged and is no longer active.

14) During the critical period between the Sale Hearing and the completion of the Hospital Conversion Act process, a commitment pursuant to the Interim Advisory Agreement to loan monies to the Hospital to cover operational losses.

Report: This commitment has been discharged and is no longer active.

15) A commitment to fund the lease obligations (approximately $68,000 per month) for the North Stonington Health Center up and until Closing subject to the Special Master deeming such payments necessary in his discretion.

Report: This commitment has been discharged and is no longer active.

We hope that the foregoing information will enable the Department to conclude that to date the Buyer has satisfactorily honored the Buyer Commitments under the APA. We are happy to provide additional information as the Department may find necessary to assess the status of any particular commitment. Please contact me at (860) 442-0711 ext. 4416 or manderson@lmhosp.org if you have any questions or require anything further.

Sincerely,

Maureen J. Anderson
Vice President/General Counsel

cc: Victor Milione, Esq.
Stephen Zubiago, Esq.
Genevieve M. Martin, Esq.
W. Mark Russo, Esq.

STATE OF RHODE ISLAND
WASHINGTON, SC.

SUPERIOR COURT

CHARLES S. KINNEY, CHIEF EXECUTIVE OFFICER AND TRUSTEE
Plaintiff

v.

C.A. No. 2011-0781

WESTERLY HOSPITAL HEALTHCARE, INC., THE WESTERLY HOSPITAL, ATLANTIC MEDICAL GROUP, INC., OCEAN MYST, MSO LLC, WOMEN'S HEALTH OF WESTERLY, LLC, AND NORTH STONINGTON HEALTH CENTER, INC.
Defendants

SUPERIOR COURT
FILED
2012 SEP 10 AM 10:19
EDWARD P. INGRONE, CLERK

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WASHINGTON COUNTY SUPERIOR COURT

ORDER APPROVING THE SALE OF THE ASSETS OF THE WESTERLY HOSPITAL AND THE RELATED ENTITIES FREE AND CLEAR OF LIENS AND LIABILITIES

On February 28, 2012, this Court heard the Special Master, W. Mark Russo's Petition for Instructions seeking authority to implement a process to secure proposals for the acquisition, strategic partnership and/or repositioning of The Westerly Hospital and the Related Entities. After a hearing thereon and after the procedures were noticed out by the Special Master to parties-in-interest for comment and input, this Court entered an Order dated March 19, 2012, establishing the Mastership Transaction Process (the "Mastership Transaction Process Order" and the "Mastership Transaction Process", respectively).

Furthermore, on June 13, 2012, this Court held a hearing and granted the Special Master's Petition for Instructions (the "Petition") regarding the Presentation and Acceptance of a Stalking Horse Offer by LMW Healthcare, Inc., and LMW Physicians, Inc., as guaranteed by Lawrence & Memorial Hospital Corporation (collectively, "L&M" or the "Buyer") as set forth in the form of Asset Purchase Agreement (the "APA") attached hereto as *Exhibit A* (except as

otherwise defined herein, the capitalized terms herein are defined in the APA, as may be amended from time to time).[1] The Order authorizing the Special Master to enter into the APA subject to higher and better offers is referenced herein as the "Sales Procedures Order."

The Mastership Transaction Process Order, set forth criteria to which weight would be afforded to preserve The Westerly Hospital and the Related Entities as assets to the community both from the standpoint of healthcare and the regional economy. *See* Mastership Transaction Process Order at ¶¶ 7 and 12.

In accordance therewith, the L&M "Stalking Horse Offer", as embodied within the APA addressed such weighted criteria as follows:[2]

1. An assumption for satisfaction of over $23M in The Westerly Hospital and the Related Entities' liabilities;
2. A commitment to pay for a "tail" malpractice insurance policy that Westerly Hospital will require upon sale at an estimated cost of approximately $2 million;
3. A commitment to pay Closing costs and transactional expenses that Westerly Hospital will incur in this proceeding in the estimated amount of $1.5 million;
4. A commitment to fund "cure" costs which are not captured in assumed liabilities;
5. A commitment to continue the Westerly Hospital identity and name, including its non-profit status and community mission;
6. A commitment to establish a Hospital Board with members drawn from residents of the Westerly service area. Moreover, a commitment to put residents of the Westerly

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[1] The APA is attached without schedules. The schedules are maintained by the Special Master.

[2] To the extent the terms of the APA, as amended hereby, conflict with the summary provided for herein, the terms of the APA shall control.

service area on the reconstituted Board of Trustees of the Hospital as well as the Board of Trustees of the Buyer's parent

7 A commitment to carry out a pre-advised community capital campaign in support of the Westerly Hospital and a commitment that all such funding will be raised in the Hospital's name and remain for the benefit of the Hospital's non-profit and community mission;

8 A commitment to maintain the Westerly Hospital as an acute care, community hospital for a minimum of 5 years after the Closing. Included within that important commitment is a commitment not to discontinue clinical services being provided by the Westerly Hospital for 2 years after the Closing as more fully set forth in Section 10.1 of the APA. Furthermore, if T&M's targeted goal of a 3% operating margin on a roll-up basis of the Westerly Hospital and Related Entities is achieved, commitment to augment services;

9 A commitment to inject $6.5 million of working capital into the Westerly Hospital during the first 2 years after Closing to fund the turnaround plan (subject to final review by Buyer) that the Mastership has begun to bring the Hospital to a state of profitability;

10 Consistent with the commitments to continue the mission of the Hospital and maintain it as an acute care, community hospital, a commitment during the first 5 years after Closing, to make or incur contractual obligations to make $30 million in capital expenditures including without limitation, investment in technology, equipment, and/or expanded services;

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11. A commitment to offer employment, commencing on the Closing Date to all union and non-union clinical, trade and service personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, a further commitment to maintain certain minimum staffing levels per adjusted average occupied bed;

12. A commitment to assume physician contracts and to strengthen the Westerly Hospital's relationship with the physician community (subject to Buyer's due diligence review including but not limited to compliance with law, inclusive of current review being undertaken by the United States Department of Health and Human Services, Office of Inspector General and the United States Attorney);

13. A commitment to expedite the Rhode Island Hospital Conversion Act and Change in Effective Control process;

14. During the critical period between the Sale Hearing and the completion of the Hospital Conversion Act process, a commitment pursuant to the Interim Advisory Agreement to loan monies to the Hospital to cover operational losses subject to Section 10.8 of the APA. In turn, at Closing, the loan will be forgiven, providing additional value to the Mastership Estate. In addition, pursuant to the Interim Advisory Agreement, Buyer will provide consulting and administrative services to the Sellers at Buyer's cost to maintain the viability of the Assets until the Closing; and

15. A commitment to fund the lease obligations (approximately $68,000 per month) for the North Stonington Health Center up and until Closing subject to the Special Master deeming such payments necessary in his discretion.

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L&M's bid, as above-referenced, was tested during an intensive, competitive bid process. The Special Master and his advisers have diligently and in good faith marketed the Assets to secure the highest and best offer or offers therefor. The culmination of that process, and the fourth and final phase of the Mastership Transaction Process commenced with a hearing to determine the highest and best proposal for the acquisition, strategic partnership and/or repositioning of the Westerly Hospital and Related Entities.

On August 28, 2012, this Court conducted such a hearing as consistent with the Sales Procedures Order. At that hearing, L&M and the Special Master presented an amendment to the APA, a copy of which is attached hereto as ***Exhibit B*** (the APA and the amendment thereto are collectively referenced hereinafter as the "APA"). The amendment to the APA modifies such APA, amongst other things, providing for the redemption of the Bonds at or before the Closing and for the satisfaction or assumption of the obligations of the Westerly Hospital and Related Entities to the Washington Trust Company. The APA proposed by Buyer was offered in good faith, from arm's-length bargaining positions without collusion or fraud by the parties so that Buyer is a good faith purchaser.

The Special Master has given due and proper notice of the proposed sale of the Assets to all parties required to receive notice, including without limitation, to each secured party, all holders of Liens and Liabilities of record with respect to the Assets, all of the counterparties to the Material Contracts, all municipalities and licensing agencies, the United States Department of Justice (the "DOJ"), the United States Department of Health and Human Services, Office of the Inspector General (the "OIG"), and any governmental unit having a claim against Westerly Hospital and Related Entities or the Assets, including without limitation the Pension Benefits Guaranty Corporation (the "PBGC") and the Rhode Island Department of Health (the "RIDOH").

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and all entities reasonably known to have expressed an interest in a transaction with respect to the Assets during the past twelve (12) months.

A reasonable opportunity to object or be heard with respect to the Mastership Transaction Process and the relief contemplated thereby, and the rights of third parties to submit higher or otherwise better offers for the Assets, has been afforded to all interested parties and entities.

Under all the circumstances presented, (i) all actions contemplated in the APA; (ii) consummation of all acts contemplated in this Order; (iii) the transfer of the Assets by the Special Master to Buyer; and (iv) the receipt by the Special Master of the Purchase Price are in the best interests of The Westerly Hospital and the Related Entities and their respective estates, creditors, and interest holders.

It is accordingly hereby

ORDERED

1. Subject to Paragraph 2 below, this Court has jurisdiction over these proceedings and all Mastership Assets. The Special Master has provided adequate notice of the relief sought with respect to the sale of the Assets and the relief requested in the Mastership Transaction Process Order and the Sales Procedures Order. Adequate notice and an opportunity to be heard with respect to the Mastership Transaction Process was proper, timely, adequate and sufficient, and reasonably calculated to give actual notice of the relief contemplated hereby, as appropriate under the circumstances, and no further notice is required. Reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to those parties entitled to notice. In addition, supplemental notice has been provided to the PBGC, the RIDOH, the Internal Revenue Service, the Centers for Medicare and Medicaid Services, Peter F. Neronha, as

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United States Attorney, and the United States Department of Health and Human Services, Office of Inspector General, and Gary Donahue of the United States Bankruptcy Trustee's Office.

2. As set forth in the Sales Procedures Order, the Special Master shall be required to seek approval of the United States Bankruptcy Court for the District of Rhode Island in *In Re North Stonington Health Center, Inc.*, B.K. No. 13-11508 (the "Bankruptcy Court") with respect to the necessary authority and approval for the conveyance and transfer of the assets of North Stonington Health Center, Inc. to Buyer. In accord therewith, the Order does not approve the sale of any real or personal property subject to the jurisdiction of the Bankruptcy Court, but is a conditional approval of such sale subject to approval of the Bankruptcy Court so long as that court has jurisdiction over such assets. In turn, the Stipulation read into the record on August 28, 2012, withdrawing North Stonington Properties LLC's Objection and waiving appellate rights is incorporated herein. *See* Transcript of Stipulation attached hereto as *Exhibit C*. No such approval shall be required to convey Assets of any or all other Sellers to the Buyer pursuant to this Order and the APA.

3. As set forth herein, the Special Master is hereby authorized to sell the Assets as pursuant to the terms of the APA attached hereto and incorporated herein as *Exhibit A and Exhibit B*. The consideration for the sale of such Assets, in large part, is contained in Section 1.6 of the APA and in the particular the Covenants of Buyer set forth at Article 10 of the APA and outlined above (hereinafter, the "Buyer Commitments"). The Buyer Commitments, in addition to the other obligations, covenants and representations set forth in the APA, are guaranteed by the parent company Lawrence & Memorial Hospital Corporation and said guaranty is incorporated into this Order. Moreover, the APA provides that the Buyer agrees to be bound by a mechanism for enforcement of the Buyer Commitments, as reasonably acceptable

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to the Buyer and as ordered by the Court. Accordingly, the Buyer Commitments are to be enforced as follows:

a. Beginning on the first anniversary of the Closing of the transactions contemplated by the APA and on each of the following four (4) anniversaries thereof, Buyer shall file, in a form reasonable acceptable to the RIDOH, a written annual report and supporting documentation, concerning progress toward attesting, and compliance with, the Buyer Commitments (the "Annual Report");

b. The RIDOH shall coordinate as appropriate with the Rhode Island Attorney General ("RIAG"), the Rhode Island Secretary of Health and Human Services, the Rhode Island Office of Health Insurance Commissioner, and the Office of the Lieutenant Governor regarding the review of said Annual Reports;

c. In the event the RIDOH alleges a violation of the Buyer Commitments, the RIDOH may seek appropriate relief for enforcement of the applicable Buyer Commitments pursuant to RIGL 23-17-8;

d. The Mastership Proceeding, upon final report and recommendation of the Special Master shall be stayed; provided, however, if after exhaustion of the administrative procedures set forth above there remain unresolved disputes regarding enforcement of the Buyer's Commitments, the stay shall be lifted and any such remaining disputes shall be submitted to the Mastership Court for adjudication, and, provided, further, if no such disputes are submitted to the Mastership

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Court within six (6) months following the fifth anniversary of the Closing, the stay of the Mastership stay shall expire and the Mastership shall terminate.

4 Schedule 10.6 of the APA, the commitments negotiated by and between United Nurses and Allied Professionals and L&M and the dispute resolution provisions thereof are expressly incorporated herein.

5 The Court hereby finds and holds that effective upon the Closing, the Assets shall be transferred to Buyer pursuant to the APA, as amended hereby, free and clear of all Liens, including, without limitation, any and all encumbrances, pledges, mortgages, deeds of trust, security interest, claims, leases, charges, options, rights of first refusal, puts, calls, easements, servitudes, proxies, covenants, hypothecations, voting trusts, or agreements and transfer restrictions under any agreement, against or with respect to tangible or intangible property or rights, whether imposed by agreement, understanding, law, equity, or otherwise save for and excepting only those liens expressly assumed by Buyer pursuant to the terms of the APA. In addition, said Assets shall be sold to Buyer pursuant to the APA free and clear of all Liabilities including, without limitation, all causes of action, obligations, demands, guarantees, rights, restrictions, remedies, claims, and matters of any kind and nature whatsoever, whether at law or in equity, including, without limitation, free and clear of any rights or claims based on theories of transferee or successor liability under any applicable law, statute, rule, regulation, common law or equitable principle including, without limitation, ERISA and the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, and the codes of any Governmental Authorities including, without limitation, the PBGC, the MDOH, the Internal Revenue Service, state and local taxing authorities, Government Reimbursement Programs, and

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any Governmental Authority, whether arising before or after the commencement of the Mastership Proceedings herein and whether imposed by agreement, understanding, law, equity, regulation, custom or otherwise, save and excepting only those liabilities expressly assumed by Buyer in writing under the APA. This Court shall retain jurisdiction to resolve any controversy and claim arising out of or relating to the APA, or the breach thereof, and over any claims against Buyer that are not Assumed Liabilities as defined in the APA. In accordance therewith the Special Master, effective upon the Closing, shall transfer all right, title and interest in and to the real property in which The Westerly Hospital and the Related Entities have right, title and interest, together with all appurtenances and rights thereto, and all right, title and interest in the leasehold interest to leased real property, which interest, shall be sold, assigned and transferred to Buyer free and clear of any and all mortgages, deeds of trust, security interests, mechanics or other liens, liabilities or encumbrances subject only to Assumed Liabilities. Furthermore, and as consistent therewith, the accounts receivable being acquired by Buyer represent and constitute *bona fide* claims owing to the Westerly Hospital and Related Entities for services actually performed and for goods and supplies actually provided in the amounts indicated on the Financial Statements (as that term is defined in the APA) with no known set-offs, deductions, compromises or reductions (other than reasonable allowances for bad debts and contractual allowances in an amount consistent with historical policies and procedures of the Westerly Hospital and Related Entities). Consistent herewith, the Owned Intellectual Property is deemed an Asset under the APA and the Special Master shall transfer and assign to Buyer all of the right, title and interest of the Westerly Hospital and Related Entities in and to the Owned Intellectual Property under the terms set forth in this Order and the APA. Notwithstanding, all liens, claims and encumbrances not assumed pursuant to the terms of the APA, shall attach to the proceeds of

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the sale of the Assets as pursuant to Paragraphs 6, 9 and 10, herein, in the same order of priority existing as of the Closing.

6. The claims of the PBGC and the United States by and through the United States' Attorney and the Department of Health and Human Services, Office of the Inspector General, once proven and/or resolved, shall attach to the proceeds of the transaction approved hereby. Moreover, the claims of the Rhode Island Division of Taxation, once proven and/or resolved, shall attach to said proceeds in the priority ordered by this Court. Finally, the claims reserved by the Washington Trust Company relative to the Pea eligid obligations of the North Stonington Health Center, Inc. as guaranteed, if proven, shall attach to such proceeds with the collateral for such claims being subject to the limits of Washington Trust Company's first priority security interest in accounts receivable with the parties reserving all rights in regard thereto including whether the obligations under said guaranty are secured.

7. In accordance with the terms of the amendment to the APA attached hereto as *Exhibit* the Special Master is hereby authorized on behalf of the Hospital, to provide such notice and take such other action as is reasonably necessary to cause the redemption of the Bond Debt pursuant to the Loan and Trust Agreement including such action necessary for the Hospital to cause a settlement payment to be made to the Bond Trustee for satisfaction and redemption of the Bond Debt pursuant to the Loan and Trust Agreement and constituting a settlement payment pursuant to 11 U.S.C. Sections 101(51A) and 546(e).

8. As of the Effective Date of the APA, if the Buyer accepts automatic assignment of the Hospital's Medicare provider agreement under 42 C.F.R. § 489.18, the Medicare provider agreement will be governed exclusively by the Medicare statute, regulations, policies and procedures, and without regard to other laws or further orders of this Court. This includes but are not limited to adjustment of all payments to the Buyer, as the owner of Medicare provider agreement, to account for all prior

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overpayments and underpayments, including those relating to the pre-sale periods. The Buyer may, however, in its sole discretion, elect to reject the otherwise automatic assignment of the Hospital's Medicare provider agreement as of the Effective Date of the APA pursuant to the Medicare statute, regulations, policies and procedures including, among other things, Section 3210.5A of the CMS State Operations Manual by filing with the CMS Regional Office ("RO"), a notice of its refusal to accept such assignment in writing at least 45 calendar days prior to the Effective Date and the Buyer may file an application for an "initial enrollment" in Medicare, effective as of the date on all applicable requirements for such enrollment are satisfied. Notwithstanding the foregoing or anything in this Order, Petition to Sell, or APA to the contrary, the Medicare provider agreement shall not be considered an "asset" that may be sold or transferred, and in particular may not be sold or transferred "free and clear" of any liens or liabilities.

9. Based upon the sale and marketing efforts conducted by the Special Master as consistent with this Court's Orders and this Court's findings that the Special Master satisfied the phase-I requirements of the Mastership Transaction Process Order, this Court finds that the sale of the Assets to Buyer upon the terms and conditions of the APA, as amended by this Order, is commercially reasonable, the sales price and the terms set forth therein are fair and reasonable, the sale is made in good faith, Buyer is a *bona fide* good faith purchaser, and that such sale is in the best interest of all creditors of The Westerly Hospital and the Related Entities wherever located. Furthermore, this Court also finds based upon a review of the file materials and the testimony of representatives of L&M that this sale will provide the Westerly Hospital and the Related Entities with the benefit of years of expertise and sound business and financial practices of a highly experienced management team.

10. The Special Master is hereby authorized to execute and deliver immediately, the Interim Advisory Agreement. The Special Master shall report to the Court with regard to the

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Interim Advisory Agreement within seven (7) days of the entry of the Sale Order. Notwithstanding the foregoing or any other provision of this Order or the APA, the Special Master shall file a separate petition with this Court, with notice to creditors and other parties in interest, and an opportunity for a hearing thereon, in connection with any request to borrow funds from the Buyer pursuant to the APA or otherwise. Any such petition shall provide detail regarding the amount of any proposed borrowing, the proposed terms, the proposed collateral, the pre-existing liens of creditors would be impaired by the proposed borrowing, and the adequate protection proposed for those creditors. All rights and defenses of creditors with respect to such a petition, including without limitation all rights to adequate protection, are reserved. At the Closing, the Special master is authorized to execute and deliver a Special Master's Deed(s), an Assignment and Assumption Agreement, an Assignment and Undertaking Agreement, a Special Master's Bill of Sale, an Assignment of Intellectual Property, and such other deliverables as set forth in Section 2 of the APA, conveying all of his right, title and interest as Special Master in and to the Assets, free and clear of all interest, claims, Liens and Liabilities, as set forth in Paragraph 3 above. Notwithstanding, any such interest, claims, Liens and Liabilities shall attach to the sale proceeds resulting from the sale of Assets in the same order of priority that is currently existing in such Liens or Liabilities. The Special Master shall report to the Court regarding the Closing and then submit to the Court, a proposed schedule for the determination of claims, after this Court's determination of Closing costs and Seller's transaction expenses to be paid by the Buyer pursuant to Sections 1.6(b)(vi), 3.28, and 13.7 of the APA, as well as the proceedings anticipated by Section 1.7 of the APA. Procedures to be recommended by the Special Master and ultimately established by this Court shall allow for the Court-approved distribution of the proceeds of the sale of the Assets to those claims, liens, and encumbrances

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which transfer and attach to the sale proceeds pursuant to the terms of this Order in the same order of priority.

11. All parties asserting a claim, interest, lien or encumbrance against the Assets are hereby directed to execute and deliver to the Special Master within seven (7) days of his written request, mortgage or discharges, lien discharges, UCC financing termination statements and any and all other documents as necessary to evidence the discharge of such interest, claims, liens or encumbrances against the Assets, effective upon the Closing, as the Special Master may determine in his sole discretion to be necessary. All such documents shall be held by the Special Master in escrow pending the occurrence of the Closing Date and shall be released to the Buyer and/or filed and recorded as directed by the Buyer solely at and in connection with the Closing (absent which such documents shall be in Escrow and of no force and effect). The execution and delivery of the same shall be without prejudice to or waiver of any and all rights, claims and interests of such parties against the proceeds from the sale of the Assets and such claims, liens and encumbrances shall transfer and attach to sale proceeds in the same order of priority. If any person or entity that has filed a financing statement or other documents or agreements evidencing a Lien or Liability on the Assets shall not have delivered, in proper form for filing, termination statements, instruments of satisfaction, releases, and other documents to the Special Master after seven (7) days of his written request in accordance with this paragraph, then the Special Master shall be and hereby is authorized to, at the Closing, execute such termination statements, instruments of satisfaction, releases, and other documents on behalf of the person or entity and to file the same with any appropriate registry or public filing office. Notwithstanding the foregoing, the provisions of this Order authorizing the sale and assignment of the Assets free and clear of Liens and Liabilities shall be self-executing, effective upon

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Closing and notwithstanding the failure of Buyer, the Special Master, or any other party to execute, file, or obtain releases, termination statements, assignment contracts, or other instruments to effectuate, consummate, and/or implement the provisions hereof or the APA with respect to the sale of the Assets and the assumption and assignment of the Assumed Contracts, all Liens and Liabilities on the Assets shall be and hereby are deemed to be divested, terminated, and discharged effective upon Closing.

12. The execution, delivery and performance of the APA by the Special Master and all other agreements referenced herein, or ancillary hereto, to which The Westerly Hospital and the Related Entities are a party, and the consummation of the transactions contemplated herein, are within the Special Master's authority and power subject to this Court's approval as pursuant to the Orders entered by this Court. Other than the express approval of this Court contained herein, the Special Master does not require any approval or consent of, or filing with, any Governmental Authority or agency bearing on the validity of the APA which is required by laws and regulations of any such Governmental Authority or agency. The APA does not conflict with, require consent under, or result in any breach or contravention of or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument, understanding to which such Seller is a party or by which it is bound or any of its assets is subject. The APA does not violate in any material respect the statute, law, ordinance, rule or regulation of any Governmental Authority to which such Seller or its respective assets may be subject. The APA does not violate in any material respect any judgment, decree, order, writ or injunction of any court or any Governmental Authority to which the Seller or its respective assets may be subject.

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13 L&M shall have no liability for any obligations by and between The Westerly Hospital and the Related Entities (defined in the APA as "Intercompany Obligations") and no such liability shall be assumed by L&M under the APA or this Order.

14 The Special Master is authorized to request that as part of the Hospital conversion process that the Buyer become the successor beneficiary to the Westerly Hospital and the Related Entities under that certain Charles A. Morgan Trust and the Louise D. Hoxsey Trust (the Foundation Fund for the Hospital in Westerly, Rhode Island, the "Hoxsey Trust"). Moreover, that the Hoxsey Trust shall be dissolved with the funds being held in escrow for the Hospital under the ownership of the Buyer with the same restrictions as set forth in the Hoxsey Trust being placed upon the endowed funds.

15. Except as expressly permitted by the APA and this Order, all persons or entities holding or asserting any Lien or Liability of any kind or nature with respect to the Assets or business formerly conducted by The Westerly Hospital and the Related Entities shall be, and hereby are, barred from asserting such Lien or Liability against L&M, its successors and assigns, or the Assets, including without limitation, the claims of the DOJ, OIG, PBGC, RIAG and RIDOH.

16 Effective upon the Closing, all persons and entities are forever prohibited and enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding, against L&M or its successors and assigns with respect to any Lien, Liability, encumbrance or claim. Without limiting the generality of the foregoing, except as expressly permitted by the APA and this Order, L&M shall have no liability for any claim against The Westerly Hospital and the Related Entities or its directors, officers, or shareholders.

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EDWARD MORRONE, CLERK
WASHINGTON COUNTY SUPERIOR COURT

17. Except as expressly provided in the APA, the consummation of the APA shall not subject L&M to any Liability whatsoever with respect to the operation of the Business of The Westerly Hospital and the Related Entities in any form or manner whatsoever, including, without limitation, by reason of any theory of successor or transferee liability, de facto merger, or substantial continuity, whether known or unknown and whether asserted or unasserted as of the Closing.

18. The Real Property which The Westerly Hospital and the Related Entities holds right, title and interest is exempt from property taxes as of the effective date of this Order in accord with the Rhode Island General Laws regarding non profit corporations and all Liens or Liabilities relating thereto are hereby void ab initio. Notwithstanding the Mastership shall continue to pay real property taxes with respect to [illegible] to the date of Closing.

19. At the election of the Buyer, the Special Master shall deliver the assets of the Non-Mastership Estate Related Entities to Buyer pursuant to the terms of this Order and as such, upon delivery of those assets in accordance herewith those entities shall be consolidated within the instant Special Mastership proceeding and any such entities shall be included in the definition of the term "The Westerly Hospital and the Related Entities" as such term is used in the APA and this Order.

20. With regard to the Westerly Hospital Foundation, Inc. and the Westerly Hospital Auxiliary Inc., those entities shall continue to function under the supervision of the Mastership from the entry hereof until Closing. Any donations received by those entities shall be segregated and used only or utilized for the purposes identified by donors or to further the Hospital's community mission. Upon Closing, delivery of the assets of those entities to the Buyer [illegible]

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provided in Paragraph 19 shall be accomplished, at the election of Buyer, by amendment, in a form reasonably satisfactory to Buyer, of their respective Articles of Incorporation and Bylaws whereby substituting LMW Healthcare, Inc. as the sole corporate member of each entity. Donated funds held by any of the Non-Mastership Related Entities and transferred to L&M shall remain subject to any and all restrictions pertaining to such donated funds, specifically that such funds be used only for the stated intent of the donor and for sole benefit of the Hospital.

21. Notwithstanding that the Assets are being sold free and clear of any and all Liens, Liabilities, claims, and encumbrances, the Special Master shall continue to take appropriate action to complete a "distressed termination" pursuant to Section 1041(c) of ERISA and reasonably cooperate with the PBGC in effectuating the termination of the Pension Plan pursuant thereto.

22. The Court finds and holds that the Hospital is duly licensed as a general acute-care hospital pursuant to the applicable laws of the State of Rhode Island. The pharmacies, laboratories and all other ancillary departments located at the Hospital that operate for the benefit of the Hospital and that are required to be specially licensed, are duly licensed by the RIDOH or other appropriate licensing agency.

23. The consideration provided by Buyer for the Assets under the APA is fair and reasonable, and the result of an open and competitive sales process and the marketing efforts described in the Petition, the Mastership Process Order, the Sales Procedure Order, and those conducted by the Special Master after the filing of the Petition and in accordance with the Sales Procedure Order and the Mastership Process Order culminated in a purchase price negotiated in

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EDWARD MCBRIDE, CLERK

good faith and at arm's length that may not be avoided, nor may costs or damages be imposed or awarded under any applicable law relating to bidder collusion.

24. The failure specifically to include or refer to any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the APA be authorized and approved in its entirety.

25. The APA and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by the Special Master on behalf of The Westerly Hospital and the Related Entities and L&M, and in accordance with the terms of the APA, without further order of the Court so long as such modification is not material, provided that terms in the APA with respect to the Bonds and the Bank Debt of the Sellers shall not be amended without the consent of the Bond Trustee and/or Washington Trust Company. The failure specifically to include or refer to any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the APA be authorized and approved in its entirety.

26. This Order shall be effective, and the parties may consummate the transactions contemplated by the APA, immediately upon entry. The Special Master is hereby authorized, empowered, and directed, and, upon entry of this Order, shall have all the authority necessary, subject to the terms of this Order, perform such ministerial acts as may be required to effectuate and implement the APA and any transaction contemplated thereby. The Special Master shall cooperate with and take all actions reasonably requested by Buyer to effectuate the APA consistent with the terms of this Order and any transaction contemplated thereby.

27. All of the transactions and actions contemplated by this Order are properly authorized under applicable law and all Orders previously entered by this Court in this

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Mastership proceeding. The terms and provisions of the APA and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Buyer its successors and assigns and any affected third parties, including all counter-parties to the Assumed Contracts notwithstanding dismissal of this Mastership Case or the filing of bankruptcy proceeding or similar insolvency proceeding by or against any of the Sellers. The Special Master irrevocably waives any right to seek any material modification of this Order without the prior written consent of L&M, and no such consent shall be implied by any other action, inaction, or acquiescence by L&M, so long as L&M is not in default of the APA or the terms of this Order. The stay provisions of this Order Appointing Permanent Master entered on January 17, 2013 are hereby lifted and modified to the extent necessary to implement the terms and conditions of the APA and the provisions of this Order.

28. This Court shall retain jurisdiction over the parties to the APA with respect to any matters related to or arising under the APA or under this Order and specifically retains jurisdiction to enforce and implement the terms and provisions of the APA, all amendments thereto, any waivers and consents thereunder, and any agreements executed in connection therewith in all respects, including but not limited to, retaining jurisdiction (a) to compel delivery of the Assets to Buyer; (b) to resolve any disputes arising under or related to the APA, except as otherwise provided therein; (c) to protect the Buyer, or the Assets, from and against any Liens, Liabilities, encumbrances or claims, and (d) to interpret, implement, and enforce the provisions of this Order.

29. All acts, doings, and enforcements to date of said Special Master are hereby approved, confirmed and ratified.

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30. Notwithstanding anything stated herein to the contrary, the transactions contemplated by the APA are subject to all of the provisions of the Hospital Conversions Act ("HCA") and the Health Care Facility Licensing Act of Rhode Island ("HCFLA"), and all regulations promulgated under said acts, including without limitation, approval by the RIDOH and CIAG pursuant to the HCA, and a favorable recommendation by the Health Services Council and approval by the Director of RIDOH pursuant to HCFLA, all of which recommendations and approvals must be obtained prior to Closing.

ENTERED as an Order of this Court this 10th day of September, 2012

Per Order

Entered

Submitted by:

W. Mark Russo (#3937) Permanent Special Master
for Westerly Hospital Health Care, Inc.,
The Westerly Hospital, Atlantic Medical Group, Inc.,
Ocean Myst MSO, LLC, Women's Health of Westerly
LLC, and North Stonington Health Center, Inc.,
and not in his individual capacity
Ferrucci Russo P.C.
55 Pine Street, 4th Fl.
Providence, RI 02903
Telephone: (401) 455-1000
Facsimile: (401) 455-7778
Dated: September 6, 2012

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EDWARD MORRONE, CLERK
WASHINGTON COUNTY SUPERIOR COURT

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the within was served via e-mail upon the following that is referenced in Schedule A attached hereto on this 10 day of September, 2012:

EXHIBIT B

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EDWARD MORRONE, CLERK
WASHINGTON COUNTY SUPERIOR COURT

Execution Copy

AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") is entered into as of August __, 2012 by and among LMW Healthcare, Inc., LMW Physicians, Inc., and W. Mark Russo, Esq. solely in his capacity as the Court-appointed Special Master for Westerly Hospital Healthcare, Inc., The Westerly Hospital, Atlantic Medical Group, Inc., Ocean Myst, MSO, LLC, Women's Health of Westerly, LLC and North Stonington Health Center, Inc.

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of June 30, 2012 (the "Purchase Agreement");

WHEREAS, pursuant to the Purchase Agreement, Sellers have agreed to sell to Buyer, and Buyer has agreed to purchase from Sellers, the Hospital and substantially all of Sellers' assets used to operate the Hospital and the Business.

WHEREAS, the Parties desire to amend the Purchase Agreement to address certain matters that have arisen since the execution of the Purchase Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Purchase Agreement as follows:

Each capitalized term used herein, but not otherwise defined shall have the same meaning as ascribed to such term in the Purchase Agreement.

1. The following definitions set forth in the Purchase Agreement are amended and restated in their entirety:

> "Bank Debt of Sellers" shall mean the principal, interest, reasonable fees and expenses owed to Washington Trust Company ("WTC") (including reasonable professional fees) and other charges with respect to the secured loan obligations more specifically set out in the June 25, 2012 "*Order Allowing Claim of Washington Trust Company and Granting Related Relief*" entered by the Mastership Court.
>
> "Bond Debt of Sellers" shall mean the principal, interest, reasonable fees and expenses of the Bond Trustee (including reasonable professional fees and other charges with respect to the Bonds, determined pursuant to the Loan and Trust Agreement and the May 31, 2012 "*Order Allowing Revenue Bond Claims and Granting Related Relief*" entered by the Mastership Court.

2. The following definitions are added to the Purchase Agreement:

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"Bonds" means those certain Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Bonds (The Westerly Hospital Issue) Series 1994 issued for the benefit of the Hospital pursuant to the Loan and Trust Agreement.

"Bond Trustee" means U.S. Bank National Association, as successor trustee under the Loan and Trust Agreement with respect to the Bonds, its successors and assigns.

"Loan and Trust Agreement" means that certain Loan and Trust Agreement dated as of January 15, 1994 by and among the Rhode Island Health and Educational Building Corporation, the Bond Trustee and the Hospital.

5. Section 1.2 (h) of the Purchase Agreement is amended by striking the reference in that Section to "Section 1.2(b)" and replacing it with a reference to "Section 1.4(b)."

4. Section 1.3 of the Purchase Agreement is amended by adding the following sentence at the end of the current text:

Buyer is not acquiring any cash, cash equivalents, funds or securities held or controlled by the Bond Trustee under the Loan and Trust Agreement from time to time; provided such monies will be applied in accordance with the Loan and Trust Agreement indenture as contemplated by Section 1.6(b)(i) of this Agreement.

5. Section 1.6(b)(i) of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

(i) Twenty Two Million, Sixty-Nine Thousand, Six Hundred and Sixty-Six Dollars ($22,069,666.00) shall be satisfied at Closing by the Buyer's assumption of Liabilities more specifically set forth in Schedule 1.4(b), provided: (b) as to the Bank Debt of the Sellers Buyer may elect to either: (i) assume the Bank Debt of Sellers on terms mutually agreeable to WTC and the Buyer or (ii) fund the Sellers' satisfaction of the Bank Debt of Sellers on or before Closing and (c) Buyer's payment to the Bond Trustee at Closing of sufficient Available Monies (as defined in the Loan and Trust Agreement) to, together with any cash, cash equivalents funds or securities then held by the Bond Trustee under the Loan and Trust Agreement, redeem the Bonds then outstanding and otherwise satisfy in full in cash the Bond Debt of Sellers pursuant to the Loan and Trust Agreement (as opposed to assuming said Liabilities itself);

6. Section 2.2 of the Purchase Agreement is amended by deleting the word "and" in subsection (l), deleting the period at the end of subsection (m), inserting a semicolon at the end of subsection (m), and adding the following subsection (n) after subsection (m):

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(n) The Hospital shall deliver to the Bond Trustee such documents, provide such notice and take such other action as is reasonably necessary to cause the redemption of the Bonds and discharge of the Loan and Trust Agreement, including without limitation, written directions to the Bond Trustee to send a notice to bondholders to redeem the Bonds on or before the Closing Date (the "Redemption Date"), which notice shall be mailed no more the sixty(60) nor fewer than thirty (30) days prior to the Redemption Date and which shall otherwise comply with the terms and conditions of the Bonds and the Loan and Trust Agreement.

7. Section 2.3(j) of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

(j) such other documents as may be reasonably requested by any Seller, and, to the extent relating to the assumption of the Bank Debt of the Sellers, by WTC, and to the extent relating to the redemption of the Bonds and/or discharge of the Loan and Trust Agreement, by the Bond Trustee.

8. Section 13.1 of the Purchase Agreement is amended by adding the following sentence at the end of subsection (b):

Notwithstanding the foregoing, no amendment contemplated by this Section 13.1 shall be made with respect to the Bank Debt of the Seller absent the prior written consent of WTC.

Notwithstanding the foregoing, no amendment contemplated by this Section 13.1 shall be made with respect to the Bonds absent the prior written consent of the Bond Trustee.

9. This Amendment shall be effective as of the date hereof and except as expressly provided herein, the terms and conditions of the Purchase Agreement shall remain in full force and effect and unmodified. This Amendment may be executed in counterparts, all of which together shall constitute one binding Agreement. The exchange of copies of this Amendment and of executed signature pages by facsimile transmission or by email transmission in portable document format or similar format, shall constitute effective execution and delivery of such Amendment as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by email in portable document format, or similar format, shall be deemed to be their original signatures for all purposes.

[SIGNATURE PAGES FOLLOW]

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WASHINGTON COUNTY SUPERIOR COURT

THE UNDERSIGNED each hereby execute this Amendment as of the date first written above

BUYER:

LMW Healthcare, Inc., a Rhode Island nonprofit Corporation

By: _____
Name: _____
Title: _____

LMW Physicians, Inc., a Rhode Island nonprofit Corporation

By: _____
Name: _____
Title: _____

SELLERS:

WESTERLY HOSPITAL HEALTHCARE, INC.

By: _____
Name: _____
Title: _____

THE WESTERLY HOSPITAL

By: _____
Name: _____
Title: _____

ATLANTIC MEDICAL GROUP, INC.

By: _____
Name: _____
Title: _____

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OCEAN MYST, MSO LLC

By: _____
Name: _____
Title: _____

WOMEN'S HEALTH OF WESTERLY, LLC

By: _____
Name: _____
Title: _____

NORTH STONINGTON HEALTH CENTER, INC.

By: _____
Name: _____
Title: _____

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WASHINGTON COUNTY SUPERIOR COURT

Execution Copy

ASSET PURCHASE AGREEMENT

AMONG

W. MARK RUSSO, ESQ., THE COURT-APPOINTED SPECIAL MASTER FOR WESTERLY HOSPITAL HEALTHCARE, INC.;
THE WESTERLY HOSPITAL;
ATLANTIC MEDICAL GROUP, INC.;
OCEAN MYST, MSO, LLC;
WOMEN'S HEALTH OF WESTERLY, LLC; AND
NORTH STONINGTON HEALTH CENTER, INC.
Washington County Superior Court, WB2011-0178
(Stern, J)

AND

LMW Healthcare, Inc., a Rhode Island nonprofit Corporation, and

LMW Physicians, Inc., a Rhode Island nonprofit Corporation

[SUBJECT TO THE APPROVAL OF THE COURT]

(u) except as described in Section 10.6, any Liability relating to the Sellers' Employees (whether current, former or retired) who are not Transferred Employees, including Liabilities under any Plan or Multiemployer Plan or Multiple Employer Plan for all wages, salary, sick leave pay, vacation pay, unemployment benefits, post-employment benefits, salary continuation, termination, disability, death, retirement, health, medical, pension or welfare benefits (including for this purpose all Liabilities and obligations arising under the Plans); and

(v) any Liability related to penalties, fines, settlements, interest, costs and expenses to the extent arising out of or incurred as a result of any violation by the Sellers prior to the Effective Time of any law or order.

1.6 Purchase Price

(a) Subject to the terms and conditions hereof and as consideration of the purchase and sale of the Assets (the "Purchase Price") shall be equal to:

(i) Sixty Nine Million, One Hundred Thirty-Eight Thousand, Six Hundred and Fifty-Three Dollars ($69,138,653.00);

(b) The Purchase Price shall be payable as follows:

(i) Twenty Two Million, Sixty-Nine Thousand, Six Hundred and Sixty Six Dollars ($22,069,666.00) shall be satisfied by Buyer's assumption of Liabilities more specifically set forth in Schedule 1.4, which includes the Bank Debt of Sellers, the Bond Debt of Sellers, Trade Accounts Payable of Sellers, Third-Party Payor Liabilities of Sellers, Accrued Payroll, and Asbestos Abatement Obligations;

(ii) Seller's retention of cash, cash equivalents and short term investment as of the Effective Time estimated in the Peg Balance Sheet to be in the amount of Five Million Eight Hundred Ninety-Six Thousand Nine Hundred and Eighty-Seven Dollars ($5,896,987.00);

(iii) Payable at Closing by payment of the premium for the "tail" insurance required by Buyer pursuant to Section 5.13 estimated to be Two Million Dollars ($2,000,000.00);

(iv) Thirty Million Dollars ($30,000,000.00) shall be satisfied by Buyer's performance of Capital Expenditure Commitment as more specifically set forth in Section 10.4; and

(v) Six Million Five Hundred Thousand Dollars ($6,500,000.00) shall be satisfied by Buyer's performance of a Commitment to Fund the Plan of Profitability as more specifically set forth in Section 10.5;

(vi) In Seller funded Closing Costs, including Sellers' Transaction Expense estimated to be One Million Five Hundred Thousand Dollars ($1,500,000.00);

(vii) By Buyer's performance of its commitment to fund leasehold obligations of the North Stonington Health Center as more specifically set forth in Section 10.9 estimated to be Six Hundred Seventy Two Thousand ($672,000.00);

(viii) The difference between $8,900,944.00 and the aggregate dollar amount of the Purchased Accounts Receivable as of the Effective Time; and

(ix) The Deposit of Five Hundred Thousand Dollars ($500,000.00) shall be considered part of the Purchase Price and shall be released from the Escrow Agent to the Special Master at the Effective Time, provided, the amount of the Deposit and in the event of a Cash Excess, the Cash Excess shall be deposited with an institutional escrow agent selected by the Buyer or such other escrow agent mutually agreed to by the parties, for a period of at least nine (9) months pursuant to an escrow agreement substantially in the form of Exhibit 1.6 hereto (the "Sellers' Indemnification Escrow Agreement"), which amount shall be held and disbursed by the escrow agent in accordance with the terms of the Escrow Agreement (the "Sellers' Indemnification Escrow") to satisfy any Liability of Seller under Section 7.2. To the extent there is a Cash Excess, then any Cash in excess of the Peg Cash Amount shall be contributed first to fund the Sellers' Indemnification Escrow so that, together with the Deposit, there shall be $1,000,000 contributed to the Sellers' Indemnification Escrow on the Effective Date, next as needed by Buyer to satisfy Liabilities pursuant to Section 1.4(a) and (b), and next to the Special Master.

1.7 Determination of Assumption of Liabilities; True-up

(a) For purposes of determining the Purchase Price pursuant to Section 1.6, including, the amount of the Liabilities to be assumed, Accounts Receivable to be acquired and Cash retained by the Special Master at the Closing in accordance with and subject to the provisions of Sections 1.2(f), 1.3, 1.4, and 1.6, such determination shall be made on or prior to the Closing Date using the Peg Balance Sheet.

(b) On or before ten (10) days prior to Closing, Special Master on behalf of the Sellers shall provide an updated consolidated Balance Sheet as of that most recent reporting date (the "Pre-Closing Balance Sheet"), with the allocation of liabilities and accounts receivable and cash to be consistent with the methodology use in the PEG Balance Sheet. If the parties agree as to the amounts set forth on the Pre-Closing Balance Sheet, then the Purchase Price shall be determined and paid using the Pre-Closing Balance Sheet. If Buyer and Seller disagree, then Closing shall be conducted in accordance with Section 1.7(a) based upon the Peg Balance Sheet and the parties shall resolve any disagreement in accordance with Section 1.7 (c)-(d) below.

(c) Within forty-five (45) days after the Closing Date, Buyer will prepare and deliver to the Special Master a schedule setting forth the calculation of Closing Date Purchased Accounts Receivable, Assumed Liabilities and Cash and a certificate setting forth the final Purchase Price calculated with reference to such amounts (the "Post-Closing Statement"). The Post-Closing Statement will be prepared by Buyer in accordance with GAAP consistently applied, and will be used to determine the final Purchase Price.

10. PARTICULAR COVENANTS OF BUYER.

10.1 Commitment to The Westerly Hospital Mission as an Acute Care Community Hospital.

From the Closing Date until the date which is five (5) years after the Closing Date, Buyer shall maintain the Hospital as an acute care community hospital. In addition, from the Closing Date until the date which is two (2) years after the Closing Date, Buyer shall commit not to discontinue any clinical service (including maternity) being provided by the Hospital as of the date of the Sale Order (so long as there are no safety or quality issues associated with provision of such clinical service and so long as such clinical service is still being provided by the Hospital immediately prior to the Closing Date and so long as there are no safety or quality issues associated with provisions of such clinical service based, among other things, upon the volume of services provided in such a clinical setting as reviewed by the Hospital Board). Additionally, post-Closing, Buyer expects to augment services so as to achieve a three percent (3%) operating margin on a roll-up basis of The Westerly Hospital and Related Entities.

10.2 Commitment to the Name "Westerly Hospital" and The Westerly Hospital Charity Care Mission

After Closing, Buyer shall commit to continue the Hospital identity and name, nonprofit status and community mission. Buyer expects to carry out a broad-based community capital campaign in support of the foregoing and commits that all such funding will be raised in the Hospital's name and remain for the benefit of the Hospital nonprofit and community mission. Buyer commits to maintain charity care responsibilities and services consistent with levels historically maintained by The Westerly Hospital. Finally, any restricted funds or charitable bequests transferred to Buyer as part of the Transaction shall be used for such purposes and in compliance with any and all restrictions for the benefit of the Hospital community.

10.3 Commitment regarding Post-Closing Governance

Post-Closing, The Westerly Hospital and Related Entities shall be reestablished as subsidiaries of Buyer's parent. Buyer commits that post-Closing, representatives of the Westerly community shall be included in the reconstituted Board of the Hospital (the "Hospital Board"), as well as the Buyer's parent's Board.

10.4 Commitment regarding Capital Expenditures

During the first five (5) years after Closing, Buyer shall make, or incur binding contractual obligations to make, capital expenditures in connection with the operation of the Business, including, without limitation, investment in technology, equipment, and/or expanded services, in an aggregate amount of Thirty Million Dollars ($30,000,000.00) (the "Capital Expenditure Commitment").

10.5 Commitment regarding the Funding of the Plan of Profitability

Post-Closing and for the first two (2) years thereafter, the Buyer shall commit Six Million Five Hundred Thousand Dollars ($6,500,000.00) to fund the Plan of Profitability (such

$6,500,000.00 is referred to as the "Commitment to Fund the Plan of Profitability"), which Plan was developed during the Mastership to return The Westerly Hospital to a level of profitability and which Plan remains subject to revision upon review by Buyer (the "Plan of Profitability").

10.6 Commitment regarding Employees

(a) Consistent with Buyer's commitment to maintain the Hospital's current array of clinical services and to maintain the Hospital as an acute-care community hospital, Buyer shall offer employment, commencing on the Closing Date to all union and non-union clinical, trade and services personnel of the Sellers (excluding certain management personnel and general and administrative support services personnel) and, after satisfactory review of Sellers Plan to Profitability and employment data, Buyer expects to offer employment to substantially all of the Hospital's other employees. Notwithstanding the foregoing, Buyer shall not assume any of the collective bargaining agreements of the Sellers unless and until the extensions and amendments of such collective bargaining agreements anticipated to be obtained by the Special Master are satisfactory to the Buyer in its sole discretion. Agreement by the unions to the terms and conditions of any such amended and restated collective bargaining agreements shall be a condition of the Closing. Buyer recognizes United Nurses and Allied Professionals ("UNAP") is the bargaining agent for the Sellers' unionized personnel and will bargain in good faith with the Special Master and the UNAP representatives for modification of the collective bargaining agreements recognizing the Special Master has conveyed to UNAP the need for reasonable concessions moving forward. Buyer shall not assume any withdrawal liability arising in connection with the Transaction, including but not limited to claims by the PBGC, but shall use commercially reasonable efforts to support the Special Master's negotiation of the amended and restated collective bargaining agreements.

(b) Subject to the terms of the CBA, as of the Effective Date, Buyer shall take the following actions: (i) waive any limitations regarding pre-existing conditions and eligibility waiting periods under any health plans maintained for the benefit of the Transferred Employees, (ii)for purposes of eligibility and vesting (but not for purposes of benefit accrual) under the plans and policies of Buyer, treat all service by Transferred Employees with Sellers prior to the Effective Time as service with Buyer; and (iii) provide such other treatment as may be set forth in Schedule 10.6(b) hereof.

(c) With regard to those Employees being offered employment with Buyer, Buyer shall provide Seller with a list of those Employees per terms set forth on Schedule 10.6(b) (the employees who accept such an offer and commence employment with Buyer are collectively referred to herein as "Transferred Employees"). Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyer with respect to employees. Nothing herein shall be deemed to create or grant to any such employee or Transferred Employee third-party beneficiary rights or claims or causes of action of any kind or nature. Buyer shall be responsible for compensation, benefits and continuation coverage pursuant to the requirements of Code section 4980B and Part 6 of Title I of ERISA ("COBRA Coverage") with respect to each of the Transferred Employees whose qualifying event occurs on or after the date on which they become Transferred Employees. With regard to Employees who are not Transferred Employees, responsibility of Buyer or Seller for COBRA Coverage will be determined with regard to COBRA and any other applicable Federal law. Any claims for severance and accrued benefits

made by any Employees who are not Transferred Employees shall constitute claims in the Mastership and shall not be a Liability of the Buyer.

(d) Buyer's Commitment to Expedite Hospital Conversion Act ("HCA") Process

After entry of the Sale Procedures Order, the Special Master on behalf of the Sellers shall prepare the facility specific aspects of an HCA application and deliver the same to Buyer on or before the date that is thirty (30) Business Days prior to the Deadline for Qualified Bids. Seller shall file a complete HCA application within forty five (45) days of the Sale Order, if the Buyer is selected by the Court as the highest and best proposal. The Buyer shall commit, subject to regulatory approval, to advance funds to allow the RIDOH and RIAG to engage professionals to expedite the HCA process. However, such advances shall be considered administrative expenses, if the conversion is rejected for reasons other than Buyer's fitness.

10.7 Commitment to Advance Physician Relations

Subject to Due Diligence, Buyer commits to assume physician contracts and to strengthen The Westerly Hospital relationship with the physician community.

10.8 Commitment to Provide Interim Advisory and Funding of Interim Operations

Upon the entry of the Sale Order, Sellers and Buyer will enter into an Interim Advisory Agreement ("Interim Advisory Agreement") on mutually acceptable terms pursuant to which Buyer will provide certain consulting and administrative services to the Sellers at Buyer's cost to maintain the viability of the Assets until the Closing. Such Interim Advisory Agreement shall contain such exculpatory provisions as Buyer shall require and shall obligate Buyer to loan funds to Sellers on a first lien secured priority basis to cover operating expenses for the period from the Sale Order through the Closing ("Interim Operations"); provided that (i) such agreement shall be on customary terms as loans made to debtor companies in Chapter 11 bankruptcy proceedings and (ii) shall provide absent an event of default thereunder, repayment of such loan shall be held in abeyance and Buyer shall forebear from collecting until after the Closing Date; and (iii) upon the Closing, Buyer shall forgive the balance of said loan. The goal of funding Interim Operations is to preserve Seller's retention of cash in an amount as set forth in the Peg Balance Sheet. To the extent required, Buyer and Sellers will provide notice to the RIDOH and any other applicable governmental agency of such Interim Advisory Agreement as required by applicable law.

10.9 Commitment to Fund Leasehold Obligation for North Stonington Health Center

From the entry of the Sale Order until Closing, Buyer, if requested by the Special Master, shall fund the Special Master's leasehold obligation relating to the North Stonington Health Center not to exceed Seventy Thousand Dollars ($70,000) per month.

10.10 Enforcement of Commitments

Buyer agrees to be bound by an enforcement mechanism of its obligations, reasonably acceptable to Buyer, and as ordered by the Court.

10.11 Survival

Notwithstanding any other provision in this Agreement regarding survival of covenants, representations and warranties, including, without limitation, Section 13.17 hereof, Buyer, solely as it pertains to Article 10 hereof, expressly acknowledges and agrees that all representations, covenants and warranties contained in Article 10 shall survive in accordance with the applicable time frames set forth in each such Section contained in this Article 10.

11. PARTICULAR COVENANTS OF SELLERS.

11.1 Terminating Cost Report

Sellers shall furnish to Buyer a copy of the terminating cost reports filed timely on behalf of the Hospital in respect of the Medicare and Medicaid programs or any successor governmental program and any others as contractually required by other payors, reflecting consummation of the transactions contemplated hereby no later than one hundred fifty (150) days after the Closing. Buyer shall also provide Sellers upon reasonable request with the access necessary for Sellers or their agents to prepare such terminating cost reports as provided in Section 13.9.

11.2 Financial Statements

Following the Closing, each Seller agrees to use its commercially reasonable efforts to provide, at Buyer's reasonable request, any and all assistance, documents or information required in connection with the performance of an audit of Sellers' consolidated financial statements by Buyer and independent auditors selected by Buyer, at the sole cost and expense of Buyer, or the filing of the existing audited consolidated financial statements of Sellers, and the preparation and filing of pro forma consolidating financial statements of The Westerly Hospital, with and as required by federal or state agencies. Additionally, each Seller will use its commercially reasonable efforts to obtain the consent of its auditors to the filing of the existing audited consolidating financial statements of Sellers by federal or state agencies commission.

11.3 Treatment of Pension Plan Matters

Without limiting the generality of the definition of Excluded Liabilities, each Seller shall be responsible for all pension benefits accrued by employees of the Business (including any who become Transferred Employees) through the Effective Time in accordance with the terms and provisions of such Seller's defined benefit pension plan, and each Seller will administer the payment of such pension benefits in accordance with the terms and provisions of its defined benefit pension plan and will not transfer any responsibility for such benefits to Buyer.

11.4 Mastership

Special Master and each of the Sellers shall take all commercially reasonable steps necessary to facilitate the provisions of Section 6.1 hereof.

Exhibit 23(b)

Classification:	YALE NEW HAVEN HEALTH SYSTEM POLICIES & PROCEDURES
Title: Financial Assistance Programs	
Date Approved: 09/20/2013	**Approved by:** Boards of Trustees
Date Effective: 09/20/2013	**Date Reviewed/Revised:** 02/01/2014
Distribution: MCN Policy Manager	**Policy Type (I or II):** Type I
Supersedes: Yale New Haven Hospital Financial Assistance Programs for Hospital Services (NC:F-4) Bridgeport Hospital Financial Assistance Programs for Hospital Services (9-13) Greenwich Hospital Overview of Financial Assistance Programs for Hospital Services	

PURPOSE

Yale New Haven Health System ("YNHHS") recognizes that patients may not be able to pay for medically necessary health care without financial assistance. Consistent with its mission, YNHHS is committed to assuring that the ability to pay will be considered carefully when setting amounts due for emergency and other medically necessary hospital services.

In recognition of its role to help those in need of financial assistance, YNHHS has established the Financial Assistance Programs ("FAP") to assist with emergency and other medically necessary care. The objectives of the FAP are to:

(i) Specify all financial assistance available under the FAP;
(ii) Provide clear information regarding eligibility criteria, application requirements and the method for applying for financial assistance under the FAP;
(iii) The basis for calculating amounts charged to patients for emergency or other medically necessary care; and
(iv) The YNHHS measures to widely publicize this FAP within the communities served by YNHHS.

APPLICABILITY

This policy applies to Yale New Haven Health System (YNHHS), and each of the affiliated entities controlled directly or indirectly by YNHHS, including each affiliated Delivery Network and its subsidiary entities.

POLICY

I. Scope of FAP

The FAP apply to emergency and medically necessary inpatient and outpatient services billed by Bridgeport Hospital, Greenwich Hospital, or Yale-New Haven Hospital (each, a "Hospital") to patients without insurance. The FAP exclude (a) routine waivers of deductibles, co-payments and coinsurance imposed by third party payers; (b) private room or private duty nurses; (c) services that are not medically necessary, such as elective cosmetic surgery; (d) other elective convenience fees, such as television or telephone charges, and (e) other discounts or reductions in charges not expressly described in this Policy.

II. Eligibility for Financial Assistance

Individuals who are uninsured and who have applied, but do not qualify for, State medical assistance, may be eligible for financial assistance under YNHHS FAP as more specifically described in Section IV below. The award of financial assistance shall be based on an individual determination of financial need. In addition, YNHHS has Bed Funds available.

III. Amounts Billed to FAP-Eligible Patients

Federal law requires that amounts billed by a hospital to an approved FAP-eligible patient must be less than the amounts generally billed ("AGB") by that hospital for any emergency or medically necessary care it provides, and less than the gross charges for any medical care. Under this FAP, YNHHS bills FAP-eligible patients no more than the costs of care, and ensures that the cost of care billed to FAP-eligible patients is less than the AGB for each Hospital. YNHHS calculates AGB prospectively, based on current Medicare fee-for-service rates, including Medicare beneficiary cost-sharing amounts.

IV. Notice/Access to FAP

Each Hospital provides notice and information to patients about its FAP in a number of ways, including publishing notices in newspapers of general circulation; posting notices and FAP applications on the Hospital website; posting notices throughout the Hospital and at all points of patient registration; ensuring the availability of a one-page summary description of FAP and applications at all points of registration, billing and collection; providing written notice of FAP in all billing statements; providing notice of FAP in all oral communications with patients regarding the amount due; and holding open houses and other informational sessions. Each Hospital will provide notice and information in a manner that complies with the requirements of all applicable laws, including IRC Section 501(r) and Connecticut law concerning hospital bed funds.

Patients may ask Patient Registration, Patient Financial Services and Social Work/Case Management about initiating the Application process. Information about applying for financial assistance is also available on YNHHS Hospitals' websites.

V. Application and Eligibility Determinations

To be eligible for financial assistance, the patient must complete an application for financial assistance ("Application"). Each Hospital has its own Application that sets forth (i) its FAP available programs and eligibility requirements, (ii) the documentation requirements for determinations of eligibility, and (iii) the contact information for FAP assistance. The Application also specifies (i) that the Hospital will respond to each Application in writing, (ii) that patients may re-apply for FAP at any time, and (iii) that additional free bed funds become available every year.

Hospitals must make reasonable efforts to determine eligibility and document any determinations of financial assistance eligibility in the applicable patient accounts. Hospitals may not deny financial assistance under the FAP based on failure to provide information or documents that the FAP or the Application do not require as part of the Application. Hospitals may not engage in any extraordinary collection action, as defined in Hospital's Billing and Collection Policy, before making reasonable efforts to determine if a patient is eligible for financial assistance, within any legally required time-frames.

Once Hospital identifies a patient is FAP-eligible, Hospital shall:

(i) Provide a billing statement indicating amount owed as FAP-eligible patient, including the AGB for care provided and the Hospital's calculation of amounts owed or instructions how to obtain such information;

(ii) Refund any excess payments made by patients on FAP eligible accounts, as required by law; and

(iii) Take reasonable measures to reverse any extraordinary collection actions.

VI. Programs

YNHHS Hospitals offer the financial assistance programs described below to uninsured patients and each program must be managed by YNHHS Hospitals in accordance with this Policy. The eligibility criteria and specific documentation requirements for each program must appear in each Hospital's Summary of Financial Assistance Programs and Application. YNHHS Hospitals may have different eligibility criteria and application processes for the different financial assistance programs.

A. Free Care. The Free Care program provides care at no cost to YNHHS Hospital patients with gross annual family income less than 250% of the Federal Poverty Level, and who have applied for, and been denied, State medical assistance.

B. Restricted Bed Funds. Restricted Bed Funds are funds that have been donated to the Hospital to provide free or discounted care that are restricted to patients that meet certain eligibility criteria, such as certain town residency, church membership, or specific medical conditions. Information about these specific eligibility requirements is included on each YNHHS Hospital's Application.

C. **Discounted Care.** If a patient's gross annual family income is 251% or above the Federal Poverty Level, the Hospital will discount care to the lessor of (a) its cost of care, or (b) the Hospital's AGB.

VII. Management Oversight Committee

The FAP will be overseen by a management oversight committee chaired by a Senior Vice President, YNHHS and comprised of representatives from the System Business Office, patient financial services, patient relations, finance, and the medical staff, as necessary. This committee will meet on a bi-monthly basis to discuss specific cases of patient financial hardship, collection matters, and the status of the FAP.

REFERENCES

Internal Revenue Code 501(c)(3)
Internal Revenue Code 501(r)
Conn. Gen. Stat. § 19a-673 et seq.

RELATED POLICIES

YNHHS Billing and Collections Policy (xx)
Yale-New Haven Hospital Policy – Distribution of Free Care Funds NC:F-2
Yale-New Haven Hospital Policy – Sliding Scale Discounting Program NC:F-5
Greenwich Hospital Policy for Free Care Funds
Greenwich Hospital Clinic Sliding Scale-Discounting Program
Greenwich Hospital Alternative Payment Arrangement Policy
Greenwich Hospital Waiver of Co-Pays/Deductibles or Spend Down Requirements Policy
Bridgeport Hospital Policy for Free Care Funds (9-14)
Bridgeport Hospital Sliding Scale Discounting Program (9-15)

English

Financial Assistance Programs at YNHH

YALE NEW HAVEN HEALTH

Financial Assistance Programs at Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital

Yale New Haven Health understands that it can be difficult for some patients to afford paying their hospital bills. That is why we have a variety of financial assistance programs designed to help. Patients are required to complete a financial assistance application and provide requested documents to verify financial need. To learn more, obtain a free copy of our Financial Assistance Policy and application, or for help completing an application contact Patient Financial and Admitting Services at (855) 547-4584 or go to www.ynhhs.org/billpay or visit us in our Admitting offices at: Yale-New Haven Hospital 20 York Street, New Haven, CT; Bridgeport Hospital 267 Grant Street, Bridgeport, CT; or Greenwich Hospital, 5 Perryridge Road, Greenwich, CT.

Free Care. You may be eligible for free care if:

- ✓ your family earns less than 2½ times the Federal Poverty Level (the maximum income amounts are listed on the table to the right)
- ✓ you apply for State Assistance (Medicaid) and receive a valid written decision from the State; and
- ✓ You complete a YNHHS financial assistance application

Family size	Maximum Income
1	$29,425
2	$39,825
3	$50,225
4	$60,625
5	$71,025
6	$81,425

Add* **$10,400 *for each additional family member*

Discounted Care. You may be eligible for discounted care if:

- ✓ you do not have any type of health insurance; and you complete a YNHHS application for financial assistance.

Restricted Bed Funds. You may be eligible to receive restricted bed funds, funds that have been donated to provide free or discounted care to individuals who meet individual fund criteria, to reduce or eliminate your hospital bill if:

- ✓ you have a demonstrated financial need as determined by a fund's nominator; and you meet all eligibility criteria to receive funds (each fund has unique criteria)

There are no specific income limits for receipt of restricted bed funds. Eligibility is determined on a case by case basis by the fund nominators based on financial hardship. All patients who fill out the YNHHS financial assistance application will automatically be considered for restricted bed funds.

Yale-New Haven Hospital Me & My Baby Program. This program is applicable to Yale-New Haven Hospital patients and provides prenatal care, labor and delivery services, and some post-partum care free of charge to those who qualify. You may be eligible if:

- ✓ you live in New Haven County; do not have any type of health insurance; your family earns less than 2½ times the Federal Poverty Level (see maximum income chart above); you apply for State Assistance (Medicaid) and receive a valid written decision from the State

For more information or to request an application for the Yale-New Haven Hospital Me & My Baby Program, see our representatives at the Women's Center or call (203) 688-5470.

Greenwich Hospital Outpatient Clinic. The Greenwich Hospital Outpatient Clinic provides free or discounted care to individuals who apply for and are approved for clinic membership. If you do not have insurance, and are not eligible for State Assistance (Medicaid), you may be eligible if:

- ✓ you are a Greenwich resident and have family income less than 4 times the Federal Poverty Level

For more information or to obtain an application please call (203) 863-3334.

These programs cover medically necessary care and cover ONLY Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital bills. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care. Yale New Haven Health will respond to each application in writing. If your application is rejected, you can re-apply at any time. Additional free bed funds become available every year.

Translations of our summary of financial assistance, Financial Assistance Policy, and application are available for certain groups with limited English proficiency. Please contact (855) 547-4584 for assistance.

Spanish

Financial Assistance Programs at YNHH

Programas de Asistencia Económica en Yale New-Haven Hospital, Bridgeport Hospital y Greenwich Hospital

YALE NEW HAVEN HEALTH

El Hospital Yale-New Haven entiende que puede ser difícil para algunos pacientes pagar sus cuentas del hospital. Por esa razón ofrecemos varios programas de asistencia financiera para ayudarle. Para obtener información o una solicitud, contacte al departamento de Servicios Financieros y de Admisiones (*Patient Financial and Admitting Services*) al (855) 547-4584.

Programa de Atención Gratuita (Free Care Program). Este programa usa fondos donados por la comunidad y por el hospital para brindar atención médica a las personas que la necesiten. Puede calificar para recibir estos fondos si:

- ✓ su familia gana menos que 2½ veces el Nivel Federal de Pobreza (*Federal Poverty Level*) (los montos máximos están escritos en la tabla que está a la derecha);
- ✓ solicita ayuda estatal (*Medicaid*) y recibe una respuesta por escrito válida del Estado; y
- ✓ llena una solicitud.

Los pacientes con seguro médico se considerarán individualmente.

Tamaño de la familia	Ingresos máximos
1	$29,425
2	$39,825
3	$50,225
4	$60,625
5	$71,025
6	$81,425

*Agregue **$10,400** por cada miembro de la familia adicional.

Programa de Atención con descuentos (Discounted Care Program). El Programa de Atención con Descuentos puede rebajar bastante las cuentas del hospital para los pacientes que:

- ✓ no tienen seguro médico de ningún tipo;
- ✓ reúnen los requisitos respecto a los ingresos; y

llenan un formulario de solicitud.

Fondos Gratuitos Nominados (Nominated Free Bed Funds). En algunos casos, los donantes escogen a una iglesia, individuo o entidad que "designa" a los pacientes específicos que recibirán los fondos gratuitos. Usted puede calificar para recibir los fondos gratuitos para reducir o eliminar su factura si:

- ✓ ha demostrado tener necesidad económica de acuerdo a las condiciones de quien lo haya propuesto;
- ✓ reúne todos los criterios para recibir los fondos (cada fondo tiene sus propios criterios) y
- ✓ lo designan para que reciba los fondos.

No hay un límite específico de ingresos para recibir los fondos gratuitos nominados. La entidad que lo propuso decidirá la elegibilidad de los pacientes caso por caso en base a la necesidad económica del solicitante. Todos los pacientes que llenen las solicitudes de ayuda financiera serán considerados para recibir fondos gratuitos nominados.

Programa Mi Bebé y Yo de Yale-New Haven Hospital (Yale-New Haven Hospital Me & My Baby Program). Este programa es aplicable a los pacientes de Yale-New Haven Hospital que califiquen y provee servicios prenatales, trabajo de parto, parto y alguna atención de postparto de forma gratuita. Usted puede ser elegible si:

- ✓ vive en el condado de New Haven;
- ✓ no tiene ningún tipo de seguro médico;
- ✓ su familia tiene ingresos menores a 2½ veces el Nivel de Pobreza Federal (vea la tabla de ingresos máximos que está más arriba);
- ✓ solicita ayuda del Estado (*Medicaid*) y recibe una decisión válida por escrito del Estado.

Para más información o para obtener una solicitud para el Programa Mi Bebé y Yo de Yale-New Haven Hospital, hable con uno de nuestros representantes en el Centro de Mujeres o llame al (203) 688-5470.

Clínica para pacientes ambulatorios de Greenwich Hospital (Greenwich Hospital Outpatient Clinic). La Clínica para pacientes ambulatorios de Greenwich Hospital provee atención bajo el Programa de Atención con Descuentos de Greenwich Hospital. Usted puede ser elegible si:

- ✓ Vive en Greenwich; y
- ✓ Su familia tiene ingresos menores a 4 veces el nivel federal de pobreza

Para más información o para obtener una solicitud llame al (203) 863-3334

Estos programas cubren tratamientos medicamente necesarios y SOLAMENTE las facturas de Yale-New Haven Hospital, Bridgeport Hospital y Greenwich Hospital. El hospital responderá a cada solicitud por escrito. Si le deniegan su solicitud, puede presentar otra en cualquier momento. Se dispone de fondos gratuitos adicionales todos los años.

English

Financial Assistance Programs at YNHH

How do I apply for financial assistance?

To make the process easy for patients, Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital uses one application form for most financial assistance programs. If you are a Yale-New Haven Hospital patient and wish to apply for the Me & My Baby Program, please contact our Women's Center representatives at (203) 688-5470. If you are a Greenwich Hospital patient and wish to apply for the Outpatient clinic, please contact at (203) 863-3334.

Follow these steps to apply for the **Free Care Program**

Note: You must have current hospital bills or a scheduled appointment at the hospital to qualify for the Free Care Program.

Step 1: Apply for State Medical Assistance. To be eligible for Free Care, you MUST apply for Medical Assistance (Medicaid) in the state where you live and receive a valid, written decision on your application. A denial is not "valid" if it was issued because you did not provide information or cooperate.

You can apply for Medicaid at your local Department of Social Services (DSS) office. (For CT residents call 1-800-842-1508 to find the DSS office nearest to you) or apply online at www.accesshealthct.com. The hospital also has staff that can help you fill out the applications. If you need assistance, call us at (855) 547-4584.

Once you receive a written decision from DSS, you may apply for Free Care. We cannot accept decision letters that are more than 6 months old.

Step 2: Complete the Application. Please answer ALL questions on the application and sign it. If a question does not apply to your family, please write "N/A" (not applicable) in the space provided.

Step 3: Attach proof of income to your application. Proof of income is a document that shows how much income your family earns at the time you fill out the application. See the table on the back side of this page for the types of documents that can be used.

Step 4: Mail the application. Include (a) the completed and signed application, (b) the decision letter from DSS about your eligibility for State Assistance, and (c) proof of income to:

Yale New Haven Health
SBO, Attn: Financial Assistance
P O BOX 1403
New Haven, CT 06505

Follow these steps to apply for the **Discounted Care Program,** or **Nominated Free Bed Funds:**

Please note: if you are insured, you are not eligible for the Discounted Care Program.

Step 1: Complete the Application. Please answer **ALL** questions on the application and sign it. If a question does not apply to your family, please write "N/A" (not applicable) in the space provided.

Step 2: Attach proof of income to your application. Proof of income is a document that shows how much income your family earns at the time you fill out the application. See the table on the back side of this page for the types of documents that can be used.

Step 3: Mail the application. Mail the completed and signed application and proof of income to:

Yale New Haven Health
SBO, Attn: Financial Assistance
P O BOX 1403
New Haven, CT 06505

Please see the table on the back side of this page for the types of documents you should send with your application. If you have income that is not on this list or if you have ANY questions about this application, please call us at (855) 547-4584.

Spanish

Financial Assistance Programs at YNHH

¿Cómo solicito ayuda económica?

Para facilitar el proceso para los pacientes, Yale-New Haven Hospital, Bridgeport Hospital y Greenwich Hospital usan un formulario de solicitud para la mayoría de los programas de ayuda económica. Si usted es paciente de Yale-New Haven Hospital y desea participar en el Programa Mi Bebé y Yo llame a los representantes del Centro de Mujeres (*Women's Center*) al (203) 688-5470. Si es paciente de Greenwich Hospital y desea atenderse en la Clínica para pacientes ambulatorios, llame al (203) 863-3334

Siga estos pasos para solicitar ayuda del **Programa de Atención Gratuita (Free Care)**
Nota: Para calificar para este programa **debe tener** facturas del hospital actuales o una cita programada en el hospital

Paso 1: Solicite asistencia médica del Estado. Para ser elegible para recibir Atención Gratuita, DEBE solicitar ayuda médica (*Medicaid*) en el Estado donde usted vive y recibir una respuesta válida y por escrito de la decisión. Una denegación no es "válida" si fue emitida porque no entregó la información necesaria o no cooperó.

Usted puede solicitar *Medicaid* en la Oficina del Departamento de Seguro Social (*Department of Social Services, DSS* por sus siglas en inglés) local. (Si reside en CT llame al 1-800-842-1508 para encontrar la oficina más cercana). También puede solicitar *Medicaid* por internet en el sitio: www.accesshealthct.com

Una vez que reciba una respuesta por escrito del Estado, puede llenar la solicitud para el Programa de Atención Gratuita. No se aceptan respuestas del Estado con más de 6 meses de antigüedad.

Paso 2: Llene la solicitud. Conteste TODAS las preguntas del formulario y fírmelo. Si alguna de las preguntas no le corresponde a su familia, escriba "N/A" (no aplica) en el espacio correspondiente.

Paso 3: Adjunte la prueba de sus ingresos a la solicitud. Una prueba de ingresos es un documento que muestra el monto de los ingresos que tiene su familia en el momento de llenar la solicitud. Vea la tabla en el reverso de esta hoja para saber cuáles son los documentos que se aceptan.

Paso 4: Envíe la solicitud por correo. Incluya (a) la solicitud completa y firmada, (b) la decisión por escrito del *DSS* sobre su elegibilidad para recibir ayuda económica del Estado y (c) prueba de ingresos a:

Yale-New Haven Health
SBO, Attn: Financial Assistance
P O BOX 1403
New Haven, CT 06505

Siga estos pasos para solicitar ayuda del **Programa de Descuentos**, o **Fondos Nominados Gratuitos:**

Tome nota: si tiene seguro médico, no es elegible para participar en el Programa de Descuentos.

Paso 1: Llene la solicitud. Conteste **TODAS** las preguntas en el formulario y fírmelo. Si alguna de las preguntas no le corresponde a su familia, escriba "N/A" (no aplica) en el espacio correspondiente.

Paso 2: Adjunte la prueba de sus ingresos a la solicitud. Una prueba de ingresos es un documento que muestra el monto de los ingresos que tiene su familia en el momento de llenar la solicitud. Vea la tabla en el reverso de esta hoja para saber cuáles son los documentos que se aceptan.

Paso 3: Envíe la solicitud por correo. Envíe la solicitud completa y firmada, y la prueba de sus ingresos a:

Yale-New Haven Health
SBO, Attn: Financial Assistance
P O BOX 1403
New Haven, CT 06505

Por favor vea la tabla que está en el reverso de esta hoja para saber cuáles son los documentos que se aceptan. Si tiene algún ingreso que no está en esta lista o si tiene ALGUNA pregunta sobre esta solicitud, llámenos al (855) 547-4584.

English

Financial Assistance Programs at YNHH

The following documents may be used as proof of income:

If your family's incom is from ...	**You may attach copies of these documents as proof of income:** (these documents must not be more than 6 months old, except for your most recent Federal Income Tax Return, which may be older):
Wages (if you earn a salary or get paid by the hour for a job)	☐ Two (2) of the most recent pay stubs from paychecks, OR ☐ A letter from your employer on company letterhead stating how many hours you work and how much you earn per hour (before taxes).
Self-employed income (if you work for yourself)	☐ Most recent Federal Income Tax Return (must be signed by you)
Benefits (Social Security, Veteran's, Worker's Compensation, Unemployment, Pensions, Retirement Funds, SSI)	☐ Most recent benefit award letter, OR ☐ Benefits Statement, OR ☐ Check stubs
Rental Income	☐ Copy of lease or written agreement showing amount of rent; OR ☐ A letter written by you, indicating the amount of rent you receive per year.
Interest, Dividends, or Annuity Payments	☐ Most recent Federal Income Tax Return, OR ☐ Statement from financial institution stating the amount and the frequency of payments and the amount paid this year to date.
If you have no income	☐ A letter from the person who supports you, OR ☐ If you do not have a person who supports you, send a letter written, signed and dated by you, explaining your current financial situation.

Puede usar los siguientes documentos como prueba de ingresos:

Si los ingresos de su familia proceden de...	**Puede adjuntar copias de los siguientes documentos como prueba de ingresos:** (estos documentos no deben tener más de 6 meses de antigüedad, excepto la declaración de impuestos federales más reciente, que puede tener más antigüedad)
Salarios (si gana un salario o le pagan por hora por hacer algún trabajo)	☐ Dos (2) de los recibos/talonarios de pago más recientes, o ☐ Una carta de su empleador en papel con el membrete de la empresa que diga cuántas horas trabaja y cuánto se le paga por hora (en bruto – antes de descontar los impuestos).
Ingresos de su trabajo por cuenta propia (si trabaja por cuenta propia)	☐ Su declaración de impuestos federales más reciente (firmada por usted)
Beneficios (Seguro Social, indemnización laboral, pensión para veteranos, desempleo, pensiones, jubilación o *SSI*)	☐ La carta más reciente donde se detallan los beneficios que recibe, o ☐ Resumen de los beneficios, o ☐ Talonario/recibos de pagos recibidos
Ingresos provenientes de alquileres	☐ Copia del contrato de alquiler o acuerdo escrito que muestre el monto de la renta, o ☐ Una carta escrita por usted que indique el monto de la renta que recibe por año.
Intereses, dividendos o anualidades	☐ Declaración de impuestos federales más reciente, o ☐ Resumen (estado de cuenta) de la institución financiera que declare el monto, la frecuencia de los pagos y la cantidad que le han pagado durante este año hasta el día de hoy.
Si no tiene ingresos	☐ Una carta escrita por la persona que lo mantiene, o ☐ Si no tiene a ninguna persona que le brinde sustento, envíe una carta con fecha, escrita y firmada por usted que explique con detalle su situación económica actual.

English

Financial Assistance Programs at YNHH

Application for Financial Assistance Programs

YALE NEW HAVEN HEALTH

Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital uses one application form for all our Free Care and Discounted Care programs. If you are a Yale New Haven Hospital patient and wish to apply for the Me & My Baby Program, please contact our Women's Center representatives at (203) 688-5470. If you are a Greenwich Hospital patient and wish to apply for the Outpatient clinic, please contact at (203) 863-3334.

Do you wish to be considered for the Discounted Care Program? ☐ **Yes** ☐ **No**

Do you wish to be considered for the Free Care Program? ☐ **Yes** ☐ **No**

- You must have current hospital bills or a scheduled appointment at the hospital before you will be considered for the Free Care Program.
- You MUST apply for Medical Assistance (Medicaid) from the state where you live and receive a valid, written decision on your application before you will be considered for the Free Care Program. A denial of medical assistance from the State is not "valid" if it was issued because you did not provide information or cooperate.

1. **Applicant Information**: If you are applying for someone else, please answer all questions using the patient's information.

Last Name _____ First Name _____ Social Security Number/TIN _____

Street Address _____ Date of Birth _____

City _____ State _____ Zip Code _____ Telephone Number _____

Medical Record Number (if available) _____

Are you pregnant? ☐ Yes ☐ No If yes, what is your due date? _____

If you are the patient's parent, guardian or legal representative and you wish to be the patient's contact person, please provide your own contact information here:

Last Name _____ First Name _____ Telephone Number _____

Street Address _____ City _____ State _____ Zip Code _____

Relationship to Applicant: _____

2. **Family Information**: List the family members that live with you, including your spouse or civil union partner and any dependent children (do not include non-married partners).

Name of family member	Social Security Number or Tax ID Number (if has been issued)	Relationship to applicant (wife, husband, son, daughter, etc.)	Date of Birth

Spanish

Financial Assistance Programs at YNHH

Solicitud para participar en los Programas de Ayuda Económica

En Yale-New Haven Hospital, Bridgeport Hospital y Greenwich Hospital utilizamos una única solicitud para todos nuestros programas de Atención Gratuita y de Descuentos. Si usted es paciente de Yale-New Haven Hospital y desea solicitar ayuda del programa "Mi Bebé y Yo", llame al Centro de Mujeres al (203) 688-5470. Si usted es paciente de Greenwich Hospital y desea solicitar atención en la Clínica para Pacientes Ambulatorios, llame al (203) 863-3334

¿Le gustaría recibir ayuda del Programa de Descuentos (*Discounted Care Program*)? ☐ Sí ☐ No

¿Le gustaría recibir ayuda del Programa de Atención Gratuita (*Free Care Program*)? ☐ Sí ☐ No

- Debe tener facturas actuales del hospital o una cita programada antes de poder participar en el Programa de Atención Gratuita.
- Antes de que lo consideren para participar en el Programa de Atención Gratuita DEBE solicitar el seguro médico estatal (*Medicaid*) en el Estado dónde usted vive y recibir una decisión válida por escrito respecto a su solicitud. Si el Estado le niega la asistencia porque no proporcionó la información requerida o porque no cooperó, esta no es una respuesta "válida".

1. **Información sobre el solicitante**: Si usted llena la solicitud en nombre de otra persona, conteste todas las preguntas con la información del paciente.

Apellido _____ Nombre _____ Número de Seguro Social/TIN _____

Dirección _____ Fecha de nacimiento _____

Ciudad _____ Estado _____ Código Postal _____ Número de teléfono _____

Nº de expediente médico (MRN) _____

¿Está embarazada? ☐ Sí ☐ No Si es así, ¿en qué fecha nacerá el bebé? _____

Si usted es el padre, madre, tutor legal o representante legal del paciente y desea ser la persona a quien contactemos con respecto a esta solicitud, por favor escriba su aquí:

Apellido _____ Nombre _____ Número de teléfono _____

Dirección _____ Ciudad _____ Estado _____ Código Postal _____

Vínculo con el solicitante: _____

2. **Información sobre la familia**: Haga una lista de los familiares que viven con usted, incluyendo su esposo(a) o si tiene pareja de unión civil y todos los niños que dependan de usted (no incluya a su pareja si no están casados).

Nombre del familiar	Número de Seguro Social o N° de Identificación Impositiva (si tiene)	Vínculo con el solicitante (esposa, esposo, hijo, hija, etc.)	Fecha de nacimiento

English

Financial Assistance Programs at YNHH

3. **Income Information**: Please provide information about your income and the income of all family members that live with you and are employed. If you need additional space, please attach another page.

Name of family member who works (including yourself)	Name and address of the employer	Amount earned (before taxes)
		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year
		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year

4. **Other Types of Income**: "Other income" is income that does not come from employment. Please provide information about other income for you and all family members that live with you. If you need additional space, please attach another page.

Does anyone in your family receive...?	List family member(s) receiving income:	Amount of income
Social Security, SSI/SSD/AFDC		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year
Annuities or Pensions		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year
Unemployment Income or Worker's Compensation		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year
Rental Income, Trust Income, Dividend or Interest Income		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year
Other, (including child support - please describe)		$_____ ☐ a week ☐ every 2 weeks ☐ a month ☐ a year

5. **Health Insurance**: If you have health insurance, you may still be eligible to receive Free Care or Nominated Free Bed Funds to cover your co-pays or deductibles. Eligibility will be determined on a case by case basis.

Are you covered under any health insurance policy, including Medicare or Medicaid or coverage from a foreign country? ☐ Yes ☐ No **If yes**, please attach a copy of the front and back of your insurance card to this application or enter the following information: Policy Holder:_____ Insurer:_____ Policy No.: _____ Policy Holder:_____ Insurer:_____ Policy No.: _____	
Are you asking for financial assistance because of an accident or injury that happened at work?	☐ Yes ☐ No
Are you asking for financial assistance because of a motor vehicle accident?	☐ Yes ☐ No

3. **Información sobre los ingresos**: Proporcione información sobre sus ingresos y los ingresos de todos los familiares que viven con usted y tienen empleo. Si necesita más espacio agregue otra hoja.

Nombre del familiar que trabaja (incluyendo a usted mismo)	Nombre y dirección del empleador	Monto total de ingresos (en bruto – antes de pagar impuestos)
		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año
		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año

4. **Otros tipos de ingresos**: "Otros tipos de ingresos" se refiere a los ingresos que no provienen del empleo. Proporcione información sobre los otros ingresos suyos y de todos los familiares que viven con usted. Si necesita más espacio, agregue otra hoja.

¿Recibe alguien que vive en su casa...?	Nombre de las personas en su casa que reciben estos ingresos:	Monto de ingresos y cada cuánto tiempo recibe esta suma
Seguro Social, *SSI/SSD/AFDC*		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año
Anualidades o pensiones		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año
Seguro de desempleo o indemnización laboral		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año
Alquileres, fidecomisos, dividendos o intereses		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año
Otro (incluya la pensión alimenticia – describa)		$_____cada ☐ semana ☐ 2 semanas ☐ mes ☐ año

5. **Seguro de Salud**: Si tiene seguro de salud, puede aún recibir Atención Gratuita o Fondos Gratuitos Nominados para cubrir los co-pagos o deducibles. La elegibilidad se determinará caso por caso.

¿Está cubierto por algún plan de seguro médico, incluyendo *Medicare* o *Medicaid* o seguro de un país extranjero? ☐ Sí ☐ No Si contestó "sí", por favor adjunte a esta solicitud una copia de los dos lados de su tarjeta de seguro o llene la siguiente información:
Titular del seguro:_____Compañía:_____No. de Póliza_____
Titular del seguro:_____Compañía:_____No. de Póliza_____

¿Está solicitando ayuda económica por un accidente o lesión que ocurrió en el trabajo?	☐ Sí ☐ No
¿Está solicitando ayuda económica por un accidente automovilístico (carro)?	☐ Sí ☐ No

6. Restricted Free Bed Funds and Nominated Free Bed Funds

Free Bed funds are funds donated to the hospital to provide care to those in need. Sometimes these funds are restricted and can be used only for members of certain groups, churches, or other organizations. Other times, the donor has designated a specific individual or entity that can "nominate" patients to receive the funds. Please read through the following list and check any that apply to you. This will assist the hospital in finding possible sources of financial assistance for you.

Is the person applying for assistance...

- ☐ A person who lives in Shelton?
- ☐ A person who lives in Hamden?
- ☐ A person who lives in Southington?
- ☐ A child who lives in Guilford or North Branford?
- ☐ A woman in financial need?
- ☐ A person of German heritage?
- ☐ A person with throat or lung disease?
- ☐ A person who lives in Greenwich
- ☐ A child in financial need?
- ☐ A veteran of World War II?
- ☐ A child at the Children's Center in Hamden?

Is the person applying for assistance a member of any of these organizations or churches?

- ☐ Plymouth Congregational Church
- ☐ Church of the Redeemer, New Haven
- ☐ St. John's Episcopal Church, North Haven
- ☐ Home for the Friendless
- ☐ Organized Charities Association/Family Service of Central CT, New Britain
- ☐ Protestant Episcopal Church, Guilford
- ☐ St. Paul's Episcopal Church, New Haven
- ☐ St. Paul's Church, New Haven
- ☐ St. John's Episcopal Church, New Haven
- ☐ First Methodist Episcopal Church
- ☐ Visiting Nurse Association
- ☐ Connecticut Association of Mental Health
- ☐ St. Andrews Episcopal Church, New Haven
- ☐ New Haven Grays Veteran Association
- ☐ Benedict Memorial Church
- ☐ Church of Christ, West Haven
- ☐ Grace Methodist Episcopal Church
- ☐ First Church of Christ, New Haven
- ☐ Trinity Church, New Haven
- ☐ Trinity Methodist Episcopal Church
- ☐ Church Mission Association of New Haven
- ☐ St. Thomas Episcopal Church, New Haven
- ☐ Church of St. James the Apostle
- ☐ Woman's Seaman's Society, New Haven

6. Fondos Restringidos Gratuitos y Fondos Gratuitos Nominados.

"Fondos gratuitos" son fondos donados al hospital para brindar atención médica a las personas necesitadas. Algunas veces estos fondos están restringidos y pueden usarse solamente para los miembros de ciertos grupos, iglesias u otras organizaciones. Otras veces, el donante de estos fondos ha designado a una persona o entidad que puede "proponer" a los pacientes que recibirán los fondos. Por favor lea la siguiente lista y marque lo que se le aplique. Esta información le ayudará al hospital a encontrar los posibles recursos de asistencia financiera para usted.

¿La persona que solicita ayuda es...?

- ☐ ¿una persona que vive en Shelton?
- ☐ ¿una mujer con necesidades económicas?
- ☐ ¿un niño con necesidades económicas?
- ☐ ¿una persona que vive en Hamden?
- ☐ ¿una persona de ascendencia alemana?
- ☐ ¿un veterano de la Segunda Guerra Mundial?
- ☐ ¿una persona que vive en Southington?
- ☐ ¿una persona con enfermedad de la garganta o pulmón?
- ☐ ¿un niño del "*Children's Center*" en Hamden?
- ☐ ¿un niño que vive en Guilford o North Branford?
- ☐ ¿una persona que vive en Greenwich?

¿La persona que solicita ayuda es miembro de alguna de estas organizaciones o iglesias?

- ☐ Plymouth Congregational Church
- ☐ St. John's Episcopal Church, New Haven
- ☐ Grace Methodist Episcopal Church
- ☐ Church of the Redeemer, New Haven
- ☐ First Methodist Episcopal Church
- ☐ First Church of Christ, New Haven
- ☐ St. John's Episcopal Church, North Haven
- ☐ Visiting Nurse Association
- ☐ Trinity Church, New Haven
- ☐ Home for the Friendless
- ☐ Connecticut Association of Mental Health
- ☐ Trinity Methodist Episcopal Church
- ☐ Organized Charities Association/Family Services of Central CT, New Britain
- ☐ St. Andrews Episcopal Church, New Haven
- ☐ Church Mission Association of New Haven
- ☐ Protestant Episcopal Church, Guilford
- ☐ New Haven Grays Veteran Association
- ☐ St. Thomas Episcopal Church, New Haven
- ☐ St. Paul's Episcopal Church, New Haven
- ☐ Benedict Memorial Church
- ☐ Church of St. James the Apostle
- ☐ St. Paul's Church, New Haven
- ☐ Church of Christ, West Haven
- ☐ Woman's Seaman's Society, New Haven

English

Financial Assistance Programs at YNHH

7. **If you have a specific problem** causing you financial hardship that you would like us to consider with the application, please describe your situation below. If you need additional space please attach a letter to your application.

_____

_____

_____

_____

_____

8. **Please read this carefully before signing:**

- By signing below, I certify that all the information is true.
- I understand that any incorrect, incomplete, or false information on this form could result in rejection of my application for financial assistance.
- I give Yale New Haven Health permission to verify any and all information.
- I give permission for Yale New Haven Health to request my credit report.
- I agree to repay the full amount of my financial assistance award if I receive payment of any kind, including awards from a lawsuit, for the services covered by this application.
- I agree to inform Yale New Haven Health of any change in my family size, income, or insurance coverage that could change my eligibility for financial assistance.
- I understand that in connection with my application for financial assistance, Yale New Haven Health may need to disclose Protected Health Information (as that term is defined in the HIPAA Privacy Rule, 42 CFR Parts 160 through 164) about me in order to determine my eligibility.
- I understand that any such disclosure will be for payment purposes, as defined in the HIPAA Privacy Rule, and I consent to such disclosure.

_____ _____

Signature of person applying or legal guardian Date

_____

Printed name of the person applying or legal guardian

Please mail the completed application to:

Yale New Haven Health
SBO, Attn: Financial Assistance
P O BOX 1403,
New Haven, CT 06505

7. **Si tiene algún problema específico** que le está causando dificultades económicas y que usted desea que consideremos con su solicitud, por favor describa su situación a continuación. Si necesita más espacio, por favor adjunte una carta con su solicitud.

_____

_____

_____

_____

_____

8. **Por favor, antes de firmar, lea lo siguiente con cuidado**:

- Al firmar esta solicitud, certifico que toda la información es verdad.
- Entiendo que cualquier información incorrecta, incompleta o falsa incluida en esta solicitud, puede resultar en la denegación de mi solicitud para recibir ayuda económica.
- Otorgo a Yale-New Haven Health permiso para verificar toda la información.
- Otorgo mi permiso para que Yale-New Haven Health solicite mi puntuación de crédito (*credit report*).
- Acepto pagar el monto completo de la ayuda que se me brinde si recibo cualquier tipo de pago, incluyendo indemnizaciones procedentes de algún juicio, por los servicios que cubre esta solicitud.
- Acepto informar a Yale-New Haven Health sobre cualquier cambio en el tamaño de mi familia, ingresos, o en mi cobertura de seguro médico que pudiera cambiar mi elegibilidad para recibir la ayuda económica.
- Entiendo que en conexión con mi solicitud para recibir ayuda económica, es posible que Yale-New Haven Health necesite divulgar Información Personal Protegida (según la definición del término por la Ley de Privacidad HIPAA, 42 CFR en las secciones 160 a 164) para determinar mi elegibilidad.
- Entiendo que estas divulgaciones serán hechas con la finalidad de efectuar pagos, como está definido en la Ley de Privacidad HIPAA y doy mi consentimiento para estas divulgaciones.

_____ _____

Firma del solicitante o del tutor legal Fecha

_____

Nombre escrito en letra de imprenta del solicitante o tutor legal

Por favor envíe la solicitud por correo a:

Yale-New Haven Health
SBO, Attn: Financial Assistance
P O Box 1403,
New Haven, CT 06505

English

Financial Assistance Programs at YNHHS

YALE NEW HAVEN HEALTH

Financial Assistance Programs at Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital

Yale New Haven Health understands that it can be difficult for some patients to afford paying their hospital bills. That is why we have a variety of financial assistance programs designed to help. Patients are required to complete a financial assistance application and provide requested documents to verify financial need. To learn more, obtain a free copy of our Financial Assistance Policy and application, or for help completing an application contact Patient Financial and Admitting Services at (855) 547-4584 or go to www.ynhhs.org/billpay or visit us in our Admitting offices at: Yale-New Haven Hospital 20 York Street, New Haven, CT; Bridgeport Hospital 267 Grant Street, Bridgeport, CT; or Greenwich Hospital, 5 Perryridge Road, Greenwich, CT.

Free Care. You may be eligible for free care if:

- ✓ your family earns less than 2½ times the Federal Poverty Level (the maximum income amounts are listed on the table to the right)
- ✓ you apply for State Assistance (Medicaid) and receive a valid written decision from the State; and
- ✓ You complete a YNHHS financial assistance application

Family size	Maximum Income
1	$29,425
2	$39,825
3	$50,225
4	$60,625
5	$71,025
6	$81,425

Add* **$10,400 *for each additional family member*

Discounted Care. You may be eligible for discounted care if:

- ✓ you do not have any type of health insurance; and you complete a YNHHS application for financial assistance.

Restricted Bed Funds. You may be eligible to receive restricted bed funds, funds that have been donated to provide free or discounted care to individuals who meet individual fund criteria, to reduce or eliminate your hospital bill if:

- ✓ you have a demonstrated financial need as determined by a fund's nominator; and you meet all eligibility criteria to receive funds (each fund has unique criteria)

There are no specific income limits for receipt of restricted bed funds. Eligibility is determined on a case by case basis by the fund nominators based on financial hardship. All patients who fill out the YNHHS financial assistance application will automatically be considered for restricted bed funds.

Yale-New Haven Hospital Me & My Baby Program. This program is applicable to Yale-New Haven Hospital patients and provides prenatal care, labor and delivery services, and some post-partum care free of charge to those who qualify. You may be eligible if:

- ✓ you live in New Haven County; do not have any type of health insurance; your family earns less than 2½ times the Federal Poverty Level (see maximum income chart above); you apply for State Assistance (Medicaid) and receive a valid written decision from the State

For more information or to request an application for the Yale-New Haven Hospital Me & My Baby Program, see our representatives at the Women's Center or call (203) 688-5470.

Greenwich Hospital Outpatient Clinic. The Greenwich Hospital Outpatient Clinic provides free or discounted care to individuals who apply for and are approved for clinic membership. If you do not have insurance, and are not eligible for State Assistance (Medicaid), you may be eligible if:

- ✓ you are a Greenwich resident and have family income less than 4 times the Federal Poverty Level

For more information or to obtain an application please call (203) 863-3334.

These programs cover medically necessary care and cover ONLY Yale-New Haven Hospital, Bridgeport Hospital & Greenwich Hospital bills. Patients eligible for financial assistance will not be charged more than the amount generally billed to patients with insurance for emergency or other medically necessary care. Yale New Haven Health will respond to each application in writing. If your application is rejected, you can re-apply at any time. Additional free bed funds become available every year.

Translations of our summary of financial assistance, Financial Assistance Policy, and application are available for certain groups with limited English proficiency. Please contact (855) 547-4584 for assistance.

Spanish

Financial Assistance Programs at YNHHS

Programas de Asistencia Económica en Yale New-Haven Hospital, Bridgeport Hospital y Greenwich Hospital

YALE NEW HAVEN HEALTH

El Hospital Yale-New Haven entiende que puede ser difícil para algunos pacientes pagar sus cuentas del hospital. Por esa razón ofrecemos varios programas de asistencia financiera para ayudarle. Se requiere que los pacientes llenen una solicitud de asistencia económica y proporcionen los documentos que se les pidan para verificar su necesidad económica. Para saber más, obtener una copia gratuita de nuestra Política de Asistencia Económica y una solicitud o para recibir ayuda para llenar una solicitud, contacte al departamento de Servicios Financieros y de Admisiones (*Patient Financial and Admitting Services*) al (855) 547-4584 o vaya al sitio de internet www.ynhhs.org/billpay o visítenos en nuestras oficinas en: Yale New-Haven Hospital 20 York Street, New Haven, CT; Bridgeport Hospital 267 Grant Street, Bridgeport, CT; o Greenwich Hospital, 5 Perryridge Road, Greenwich, CT.

Programa de Atención Gratuita (*Free Care Program*). Puede calificar para recibir estos fondos si:

- ✓ su familia gana menos que 2½ veces el Nivel Federal de Pobreza (*Federal Poverty Level*) (los montos máximos están escritos en la tabla que está a la derecha);
- ✓ solicita ayuda estatal (*Medicaid*) y recibe una respuesta por escrito válida del Estado; y
- ✓ llena una solicitud de asistencia económica de YNHHS.

Tamaño de la familia	Ingresos máximos
1	$29,425
2	$39,825
3	$50,225
4	$60,625
5	$71,025
6	$81,425

*Agregue **$10,400** por cada miembro de la familia adicional.

Programa de Atención con Descuentos (*Discounted Care Program*). Puede calificar para recibir atención con descuento si:

- ✓ no tienen seguro médico de ningún tipo; y llena una solicitud de asistencia económica de YNHHS.

Fondos Restringidos para el Uso de Camas (*Restricted Bed Funds*). Usted puede calificar para recibir los fondos restringidos que han sido donados para proveer atención gratuita o con descuentos a aquellas personas que reúnen los requisitos individuales de los fondos para reducir o eliminar su factura del hospital si:

- ✓ ha demostrado tener necesidad económica de acuerdo a las condiciones del fondo que lo haya propuesto; y reúne todos los requisitos para recibir los fondos (cada fondo tiene sus propios requisitos).

No hay un límite específico de ingresos para recibir los fondos restringidos. La entidad que lo haya propuesto decidirá la elegibilidad de los pacientes caso por caso en base a la necesidad económica del solicitante. Todos los pacientes que llenen las solicitudes de ayuda financiera de YNHHS serán considerados para recibir los fondos restringidos automáticamente.

Programa Mi Bebé y Yo de Yale-New Haven Hospital (*Yale-New Haven Hospital Me & My Baby Program*). Este programa es aplicable a los pacientes de Yale-New Haven Hospital que califiquen y provee servicios de atención prenatal, de trabajo de parto, parto y alguna atención de postparto de forma gratuita. Usted puede ser elegible si:

- ✓ vive en el condado de New Haven; no tiene ningún tipo de seguro médico; su familia tiene ingresos menores a 2½ veces el Nivel de Pobreza Federal (vea la tabla de ingresos máximos que está más arriba); solicita ayuda del Estado (*Medicaid*) y recibe una decisión válida por escrito del Estado.

Para más información o para obtener una solicitud para el Programa Mi Bebé y Yo de Yale-New Haven Hospital, hable con uno de nuestros representantes en el Centro de Mujeres (*Women's Center*) o llame al (203) 688-5470.

Clínica para Pacientes Ambulatorios de Greenwich Hospital (Greenwich Hospital Outpatient Clinic). La Clínica para Pacientes Ambulatorios de Greenwich Hospital provee atención gratuita o con descuentos a aquellas personas que lo soliciten y reciban la aprobación para ser miembros de la clínica. Si usted no tiene seguro médico y no es candidato para recibir la Asistencia Estatal (Medicaid) puede ser elegible si:

- ✓ Vive en Greenwich y su familia tiene ingresos menores a 4 veces el nivel federal de pobreza

Para más información o para obtener una solicitud llame al (203) 863-3334

Estos programas cubren cuidados medicamente necesarios y SOLAMENTE las facturas de Yale-New Haven Hospital, Bridgeport Hospital y Greenwich Hospital. Los pacientes elegibles para la asistencia económica no se les cobrará más de lo que generalmente se le cobra a los pacientes con seguro médico por emergencias u otro cuidado medicamente necesario. Yale-New Haven Hospital responderá a cada solicitud por escrito. Si le deniegan su solicitud, puede presentar otra en cualquier momento. Se dispone de fondos gratuitos adicionales todos los años.

Nuestro resumen de asistencia económica, Política de Asistencia Económica y solicitud, están traducidos y disponibles para ciertos grupos con dominio limitado del inglés. Si necesita ayuda llame al (855) 547-4584.

Exhibit 23(c)

LAWRENCE +MEMORIAL HOSPITAL

WESTERLY HOSPITAL

Title: Charity Care, Financial Assistance, Free Bed Fund	Reference Number: Click here to enter text.
File Location: Finance / Patient Accounts	Issuing Department: Finance – Revenue Cycle
Latest Review/Revision Date: 9/15	Original Date: 6/08
Endorsing Departments/Committees/Dates: Westerly Hospital Board of Directors - September 28, 2015 L+M Healthcare Board of Directors - September 29, 2015 L+M Healthcare Finance Committee (pending) - October 19, 2015 Lawrence & Memorial Hospital Board of Directors (pending) - October 26, 2015	
Authorizing Signature/Title/Date: Seth Van Essendelft, CFO 10/7/15	

PURPOSE

It is the philosophy and policy of L+M Corporation, incorporating L+M Hospital and LMW Healthcare, Inc (hereafter, "The Hospital") that medically necessary health care services should be available to all individuals regardless of their ability to pay.

POLICY

A. Eligibility Criteria Uninsured
   1. Patient Financial Counseling staff is available to help patients apply for State Assistance, Funds available and Charity Care as last resort.
   2. Charity care applies to all uninsured, patients (defined as earning less the 250% of the poverty guidelines) as described in Statutes 19a-673 and R23-17.14-HCA. The Hospital will meet or exceed the guidelines set-forth by CHA and HARI following Statewide Discount Policies for Uninsured Patients.

B. Hospitals Guidelines
   1. Hospital shall provide full charity care to patients if the patient's: (a) annual income is up to and including 250% of the Federal Poverty Guidelines, taking into consideration family unit size: and (b) assets do not exceed $50,000 which complies with asset threshold (as defined in the Rhode Island Statewide Standards for the Provision of Charity Care; See R23-17.14-HCA).
   2. Any patient upon initial screening that may qualify for Medicaid will be required to have a determination by the state prior to applying for charity care.
   3. Hospital shall provide discounted care on a sliding scale for self-pay patients if the patient's: (a) annual income is between 251% and up to 400% of the Federal Poverty Levels, taking into consideration family unit size; and (b) assets do not exceed $50,000 which exceeds the asset threshold (as defined in the Rhode Island Statewide Standards for the Provision of Charity Care; See R23-17.14-HCA).

Discounts will be authorized as follows:

- 251% - 300% = 50%
- 301% - 350% = 40%
- 351% - 400% = 30%

4. The Hospital will consider the total medical expenses faced by a family and the family's ability to pay for those expenses, and offer greater assistance when possible to those families facing catastrophic medical expenses.
5. In extenuating circumstances, where it can support that a financial hardship exists, The Hospital may offer charity care at its own determination without a completed application or outside the provision of care timeline. The Revenue Cycle Director or the CFO must approve these requests. Example: homeless patients.

C. Notification to Patients
1. The Hospital shall post notices regarding the availability of financial assistance to uninsured patients. These notices shall be posted in visible locations throughout the Hospital such as admitting/registration, billing office, emergency department, and other outpatient settings.
2. Patient Financial Counselors will attempt to visit all inpatients registered as self-pay. A summary explaining programs and charity care will be given to the patient or guarantor when this visit occurs.
3. However, it is a patient's responsibility to advise the hospital if they believe they qualify for charity care.
4. A series of monthly statements will be sent following discharge. Each statement will remind the patient of the availability of charity care.

D. Gross Family Income
1. The purpose of determining gross family income and qualifying accounts for charity care, the following rules apply: (a) Family members are only immediate family members when they:
   a) Family members are only immediate family members when they are the applicant, spouse, children under the age of 18 or students to the age of 26, and stepchildren under the age of 18 or students to the age of 26. Other dependents claimed on the federal income tax return must be considered.
   b) Unmarried couples do not qualify as a family unless tax returns are filed as married. Only the applicant's income will be looked at for qualification for funds and only the applicant's accounts will be awarded charity care funds if qualified.
   c) All self-employed applications must submit the entire tax return including all schedules. The Patient Financial Counseling Supervisor, or designee, will review Gross Income from Schedule C to determine income. Adjusted gross will not be used in these cases.

E. Eligibility Determinations
1. The provision of health care should never be delayed pending an assistance determination.
2. Requests for charity care may be made before, during, or up to 1 year after the provision of care.
3. Consideration for charity care will occur once the applicant supplies a completed financial assistance application with supporting documents to the Patient Financial Counselors office.

4. The Hospital will make charity care determinations and notifications to patient within 14 days of receiving a completed financial assistance application.
5. Acceptable forms of income verification include one of the following:
    a. Most recent federal tax return, including all schedules when applicable, along with at least one of the following:
        - Last 3 months payroll check stubs.
        - Written verification from employer verifying income for the last 3 months.
        - Copies of any pension, alimony or other sources of income.
        - Copies of social security earnings.
        - Letter from person providing food, shelter, etc.
        - Any other information felt to be pertinent.
    b. Completion of IRS Form 4506-T "Request for Transcript of Tax Return", when:
        - Verification of non-filing is needed, and letter of support from person providing food, shelter, etc,: or
        - Requesting copies of most recent tax return from IRS.
6. Charity care may be denied if the application is not complete and patient does not submit additional information within 30 days of request. Since charity care is the payer of last resort, an application will not be considered until the applicant has been screened for other assistance programs and all other sources of payment have been exhausted.
7. Charity care may not be granted for non-covered procedures this includes, but is not limited to, all cosmetic procedures, sterilization reversals, hearing aids, dental procedures, Inter-Ocular Lens (IOL's).
8. Charity care may not be granted to individuals that are eligible for other programs and have refused to apply spend down assets to become eligible for state assistance.
9. Falsification of application or refusal to cooperate will result in the denial of charity care benefits. The patient will be deemed "insured" and will be transferred to the self-pay collection process.
10. Applications will remain in effect for up to six months from date approved. The hospital may request updated financial information at any time during the period and adjust accordingly.
11. The Hospital reserves the right to change benefit determination if financial circumstances have changed. The patient or guarantor will be notified in writing when this occurs (within 7 business days from date of change).

F. Appeals
    1. Responsible parties may appeal in writing a charity care determination by providing additional information, such as insurance verification or an explanation of extenuating circumstances have changed. Notification of re-determination will be made in writing within 30 days of receiving appeal request.
        - Level 1 appeals should be made to the Patient Financial Counseling Supervisor
        - Level 2 appeals should be made to the Manager of Patient Access
        - Level 3 appeals should be made to the Director of Revenue Cycle

G. Free Care Approval Guidelines – Approvals will be as follows:

1. Balances up to $2,500.00 will be approved by Patient Financial Counselor
2. Balances from $2,500.00 to $25,000.00 will be approved by the Financial Counseling Supervisor
3. Balances from $25,000.00 to $100,000.00 will be approved by the Patient Access Manager
4. Balances above $100,000.00 will be approved by the Director of Revenue Cycle

H. The Hospital's collections process is available upon request.

PROCEDURE

PROTOCOL

Reference:

Archive Dates
Reviewed Date:
Revised: 6/11; 4/14, 9/15
Supersedes:

Exhibit 24

EXHIBIT 24
INDEX

Entity	BATES NUMBERS
Yale-New Haven Health Services Corporation	2013- DOHP1755 2012- DOHP2139 2011- DOHP2185
Lawrence + Memorial Corporation	2013- DOHP0981 2012- DOHP1034 2011- DOHP1086
LMW Healthcare, Inc. d/b/a Westerly Hospital	2013- DOHP1189 2012- DOHP1286 Note that LMW Healthcare, Inc. was formed in 2012 and does not have tax filings from previous years.
Lawrence + Memorial Hospital, Inc.	2013- DOHP1380 2012- DOHP1506 2011- DOHP1638
Greenwich Hospital	2013- DOHP2477 2012- DOHP2167 2011- DOHP2155
Bridgeport Hospital	2013- DOHP2194 2012- DOHP2618A01 2011- DOHP2339
Yale-New Haven Hospital, Inc.	2013- DOHP1830 2012- DOHP2064 2011- DOHP2130

L+M Corporation

Form **8453-EO**

Department of the Treasury
Internal Revenue Service

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2013, or tax year beginning 10/01, 2013, and ending 09/30, 20 14

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

OMB No. 1545-1879

2013

Name of exempt organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a** below and the amount on that line of the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	Form 990 check here ▶ [X]	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . .	1b 3,406,976.
2a	Form 990-EZ check here ▶ [ ]	b Total revenue, if any (Form 990-EZ, line 9)	2b
3a	Form 1120-POL check here ▶ [ ]	b Total tax (Form 1120-POL, line 22)	3b
4a	Form 990-PF check here ▶ [ ]	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b
5a	Form 8868 check here ▶ [ ]	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b

Part II Declaration of Officer

6 [ ] I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

[ ] If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund.

Sign Here ▶ Signature of officer | Date | ▶ VICE PRESIDENT/CFO Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only

ERO's signature ▶ [signature]	Date 08/11/2015	Check if also paid preparer [X]	Check if self-employed [ ]	ERO's SSN or PTIN P01390592
Firm's name (or yours if self-employed), address, and ZIP code ▶ PRICEWATERHOUSECOOPERS LLP 125 HIGH STREET BOSTON MA 02110				EIN 13-4008324 Phone no. 617-530-5000

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form **8453-EO** (2013)

JSA
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1648FG 7377

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DOHP0981

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01, 2013, and ending 09/30, 20 14

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: LAWRENCE & MEMORIAL CORPORATION

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: NEW LONDON, CT 06320

D Employer identification number: 22-2553028

E Telephone number: (860) 442-0711

G Gross receipts $: 7,358,263.

F Name and address of principal officer: SETH VAN ESSENDELFT
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ N/A

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	15.
4	Number of independent voting members of the governing body (Part VI, line 1b)	13.
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	0
6	Total number of volunteers (estimate if necessary)	13.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
7b	Net unrelated business taxable income from Form 990-T, line 34	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,685,385.	2,958,303.
9	Program service revenue (Part VIII, line 2g)	0	0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	806,032.	355,103.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	166,297.	93,570.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,657,714.	3,406,976.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,443,264.	633,971.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,443,264.	633,971.
19	Revenue less expenses. Subtract line 18 from line 12	214,450.	2,773,005.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	65,995,392.	69,741,384.
21	Total liabilities (Part X, line 26)	14,710,077.	2,028,404.
22	Net assets or fund balances. Subtract line 21 from line 20	51,285,315.	67,712,980.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

SETH VAN ESSENDELFT — VICE PRESIDENT/CFO

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: ERIN COUTURE	Preparer's signature: Erin Couture	Date: 08/11/2015	Check ☐ if self-employed; PTIN: P01390592
Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no. 617-530-5000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

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

JSA
3E1010 1.000
1648FG 7377

V 13-7.15

DOHP0982

Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	September 30, 2014
Notice date	June 29, 2015
Employer ID number	22-2553028
To contact us	Phone 1-877-829-5500 FAX 801-620-5555

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LAWRENCE AND MEMORIAL CORPORATION
% BRUCE CUMMINGS
365 MONTAUK AVE
NEW LONDON CT 06320-4700

153199

Important information about your September 30, 2014 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your September 30, 2014 Form 990.

Your new due date is August 15, 2015.

What you need to do

File your September 30, 2014 Form 990 by August 15, 2015. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	September 30, 2014
Notice date	March 23, 2015
Employer ID number	22-2553028
To contact us	Phone 1-877-829-5500 FAX 801-620-5555

Page 1 of 1

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LAWRENCE AND MEMORIAL CORPORATION
% BRUCE CUMMINGS
365 MONTAUK AVE
NEW LONDON CT 06320-4700

124640

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We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

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- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

DOHP0984

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
SEE SCHEDULE O

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

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

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

4a (Code:) (Expenses $ 318,937. including grants of $) (Revenue $)
LAWRENCE & MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, LMW HEALTHCARE (WESTERLY HOSPITAL), AND L & M PHYSICIAN ASSOCIATION. LAWRENCE & MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE & MEMORIAL FOUNDATION, L & M SYSTEMS, L & M INDEMNITY AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

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

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

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

4e Total program service expenses ▶ 318,937.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

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

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . .	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶SETH VAN ESSENDELFT 365 MONTAUK AVENUE NEW LONDON, CT 06320 (860)442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ULYSSES B. HAMMOND CHAIRMAN UNTIL 12/13	2.00 2.00	X		X				0	0	0
(2) GRANVILLE MORRIS CHAIRMAN AS OF 12/13	2.00 2.00	X		X				0	0	0
(3) FRED A. CONTI, CPA TREASURER UNTIL 12/13	2.00 0	X		X				0	0	0
(4) MARILYNN MALERBA SECRETARY	2.00 0	X		X				0	0	0
(5) R. ALAN HUNTER TREASURER AS OF 12/13	2.00 2.00	X		X				0	0	0
(6) KATHLEEN STEAMER, CPA DIRECTOR	2.00 0	X						0	0	0
(7) BRUCE D. CUMMINGS PRESIDENT/CEO	2.00 38.00	X		X				0	586,388.	111,145.
(8) KATHLEEN CROOK DIRECTOR	2.00 0	X						0	0	0
(9) CHRISTOPHER R. JALBERT, M.D. DIRECTOR	2.00 0	X						0	0	0
(10) JON T. KODAMA DIRECTOR	2.00 0	X						0	0	0
(11) LISA KONICKI DIRECTOR	2.00 0	X						0	0	0
(12) R. PRESTON LAMBERTON, M.D. DIRECTOR	2.00 38.00	X						0	210,477.	24,584.
(13) ROBERT NARDONE DIRECTOR	2.00	X						0	0	0
(14) ROSS J. SANFILIPPO, DMD DIRECTOR	2.00 0	X						0	0	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) SCOTT D. BATES	2.00									
VICE CHAIRMAN AS OF 12/13	4.00	X		X				0	0	0
(16) STEPHEN M. GREENE, CPA	2.00									
DIRECTOR AS OF 12/13	4.00	X						0	0	0
(17) REV. CATHERINE ZALL	2.00									
DIRECTOR AS OF 12/13	0	X						0	0	0
(18) MAUREEN ANDERSON	2.00									
ASSISTANT SECRETARY	38.00			X				0	257,757.	53,166.
(19) LUGENE INZANA	2.00									
VP/CFO UNTIL 2/14	38.00			X				0	339,689.	64,510.
(20) JIM MOYLAN 2/14 - 7/14	2.00									
INTERIM VP/CFO	38.00			X				0	0	0
(21) SETH VAN ESSENDELFT	2.00									
VP/CFO AS OF 8/14	38.00			X				0	0	0
(22) HENRY AMDUR, MD	0									
EX-OFFICIO, UNTIL 12/12/12	40.00						X	0	379,835.	21,384.
(23) DAVID REISFELD, MD	0									
EX-OFFICIO UNTIL 12/12/12	40.00						X	0	330,927.	33,882.
1b Sub-total ▶								0	796,865.	135,729.
c Total from continuation sheets to Part VII, Section A ▶								0	1,308,208.	172,942.
d Total (add lines 1b and 1c) ▶								0	2,105,073.	308,671.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,958,303.			
	g Noncash contributions included in lines 1a-1f: $ 328,043.					
	h Total. Add lines 1a-1f		2,958,303.			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		428,812.			428,812.
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		0			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	3,771,642.				
	b Less: cost or other basis and sales expenses	3,845,351.				
	c Gain or (loss)	-73,709.				
	d Net gain or (loss)		-73,709.			-73,709.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a 199,506.				
	b Less: direct expenses	b 105,936.				
	c Net income or (loss) from fundraising events		93,570.			93,570.
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d		0			
	12 Total revenue. See instructions		3,406,976.			448,673.

Form **990** (2013)

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Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0			
11 Fees for services (non-employees):				
a Management	228,233.		228,233.	
b Legal	17,120.		17,120.	
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	61,181.		61,181.	
f Investment management fees	152,771.	152,771.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) ATCH 1	0			
12 Advertising and promotion	2,491.	2,491.		
13 Office expenses	0			
14 Information technology	0			
15 Royalties	0			
16 Occupancy	40,999.	40,999.		
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	8,500.		8,500.	
20 Interest	0			
21 Payments to affiliates	61,692.	61,692.		
22 Depreciation, depletion, and amortization	0			
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES	60,984.	60,984.		
b				
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	633,971.	318,937.	315,034.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		275,329.	2	480,780.
	3	Pledges and grants receivable, net		1,917,332.	3	2,740,022.
	4	Accounts receivable, net		0	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		39,795.	7	34,899.
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		0	9	0
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 12,347,645.			
	b	Less: accumulated depreciation	10b 104,684.	12,304,653.	10c	12,242,961.
	11	Investments - publicly traded securities		32,176,836.	11	34,961,275.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		19,281,447.	15	19,281,447.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		65,995,392.	16	69,741,384.
Liabilities	17	Accounts payable and accrued expenses		0	17	0
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		13,802,758.	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		907,319.	25	2,028,404.
	26	**Total liabilities.** Add lines 17 through 25		14,710,077.	26	2,028,404.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		50,262,836.	27	67,562,541.
	28	Temporarily restricted net assets		1,022,479.	28	150,439.
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		51,285,315.	33	67,712,980.
	34	Total liabilities and net assets/fund balances		65,995,392.	34	69,741,384.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,406,976.
2	Total expenses (must equal Part IX, column (A), line 25)	2	633,971.
3	Revenue less expenses. Subtract line 2 from line 1	3	2,773,005.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	51,285,315.
5	Net unrealized gains (losses) on investments	5	1,515,217.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	12,139,443.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	67,712,980.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
LAWRENCE & MEMORIAL CORPORATION	22-2553028

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		X
(ii) A family member of a person described in (i) above? 11g(ii)		X
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		X

h Provide the following information about the supported organization(s).

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

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

Schedule A (Form 990 or 990-EZ) 2013

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,839,886.	4,913,892.	2,850,055.	2,685,385.	2,958,303.	15,247,521.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 **Total.** Add lines 1 through 3	1,839,886.	4,913,892.	2,850,055.	2,685,385.	2,958,303.	15,247,521.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						4,553,319.
6 **Public support.** Subtract line 5 from line 4						10,694,202.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	1,839,886.	4,913,892.	2,850,055.	2,685,385.	2,958,303.	15,247,521.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	931,553.	951,666.	845,772.	583,972.	428,811.	3,741,774.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) ATCH 2	338,765.	388,878.	719,827.	371,009.	199,506.	1,917,185.
11 **Total support.** Add lines 7 through 10						20,906,480.

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 51.15 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☒

b **33 1/3 % support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **331/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **331/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
LAWRENCE & MEMORIAL HOSPITAL	06-0646704	03	X			0
LMW HEALTHCARE, INC.	46-0543230	03	X			0
LAWRENCE & MEMORIAL HEALTHCARE	22-2553031	09	X			0
TOTAL AMOUNT OF SUPPORT						0

ATTACHMENT 2

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2009	2010	2011	2012	2013	TOTAL
GOLF TOURNAMENTS	213,875.	235,509.	189,820.	226,224.	199,506.	1,064,934.
AUXILIARY FUNDRAISER	124,890.	153,369.	529,207.	44,785.		852,251.
TOTALS	338,765.	388,878.	719,027.	271,009.	199,506.	1,917,185.

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

Schedule of Contributors

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

OMB No. 1545-0047

2013

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	THE ANTONIO AUTO GROUP 543 COLEMAN ST NEW LONDON, CT 06320	$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2	ESTATE OF MARCELLE D. LEVINE 53 LAFAYETTE ST. NORWICH, CT 06360	$ 134,333.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3	JAMES J. FALCONE PO BOX 3481 GROTON LONG POINT, CT 06340	$ 199,956.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
4	WILLIAM M. SULLIVAN 9 SEAN MEADOWS LN. WATERFORD, CT 06385	$ 70,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
5	HENDEL'S INC. 35 GREAT NECK RD. WATERFORD, CT 06385	$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
6	LAWRENCE + MEMORIAL BENEFACTORS SOCIETY 365 MONTAUK AVENUE NEW LONDON, CT 06320	$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL CORPORATION

Employer identification number 22-2553028

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	JAMES J. FALCONE PO BOX 3481 GROTON LONG POINT, CT 06340	$ 150,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
3	STOCK	$ 199,956.	12/30/2013

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

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION

Employer identification number 22-2553028

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

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,300,081.	2,947,028.	2,598,925.	2,744,154.	2,633,876.
b Contributions					
c Net investment earnings, gains, and losses	264,025.	387,154.	385,153.	-2,909.	237,263.
d Grants or scholarships					
e Other expenditures for facilities and programs	-8,775.	26,996.	33,652.	136,438.	121,124.
f Administrative expenses	7,140.	7,105.	3,398.	5,882.	5,861.
g End of year balance	3,565,741.	3,300,081.	2,947,028.	2,598,925.	2,744,154.

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

a Board designated or quasi-endowment ▶ 100.0000 %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

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

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

		Yes	No
(i)	unrelated organizations	3a(i)		X
(ii)	related organizations	3a(ii)		X
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,096,790.		11,096,790.
b Buildings				
c Leasehold improvements				
d Equipment		17,010.	12,146.	4,864.
e Other		1,233,845.	92,538.	1,141,307.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				12,242,961.

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

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

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

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

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

(a) Description	(b) Book value
(1) INVESTMENTS IN SUBSIDIARIES	19,281,447.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	19,281,447.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) GIFT ANNUITY PAYABLE	115,809.
(3) DUE TO L&M HOSPITAL	1,912,595.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	2,028,404.

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

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

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

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

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

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS PROVIDE UNRESTRICTED FUNDS FOR L & M HOSPITAL.

SCHEDULE D, PART X, LINE 2

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN

48 FOOTNOTE.

SCHEDULE F (Form 990)

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		8,750,037.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total.					8,750,037.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					8,750,037.

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

Schedule F (Form 990) 2013

JSA
3E1274 1 000
1648FG 7377

V 13-7.15

DOHP1010

Schedule F (Form 990) 2013

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

DOHP1011

JSA

3E1275 1 000 1648FG 7377 V 13-7.15

Schedule F (Form 990) 2013

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DOHP1012

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☒ No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 NONE (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	199,506.			199,506.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	199,506.			199,506.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	105,936.			105,936.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				105,936.
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				93,570.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	MAUREEN ANDERSON ASSISTANT SECRETARY	(i)	0	0	0	0	0	0	0
		(ii)	256,947.	0	810.	29,561.	23,605.	310,923.	0
2	BRUCE D. CUMMINGS PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
		(ii)	567,106.	0	19,282.	90,112.	21,033.	697,533.	0
3	LUGENE INZANA VP/CFO UNTIL 2/14	(i)	0	0	0	0	0	0	0
		(ii)	338,447.	0	1,242.	39,749.	24,761.	404,199.	0
4	R. PRESTON LAMBERTON,M. DIRECTOR	(i)	0	0	0	0	0	0	0
		(ii)	184,643.	3,948.	21,886.	7,700.	16,884.	235,061.	0
5	HENRY AMDUR, MD EX-OFFICIO, UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	277,234.	100,621.	1,980.	10,000.	11,384.	401,219.	0
6	DAVID REISFELD, MD EX-OFFICIO UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	292,427.	37,210.	1,290.	10,000.	23,882.	364,809.	0
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

Part III Supplemental Information

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

SCHEDULE J, PART I, LINE 3

THE PRESIDENT/CEO OF LAWRENCE & MEMORIAL CORPORATION RECEIVES NO COMPENSATION FROM THE ORGANIZATION. HE IS AN EMPLOYEE AT LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, AND HIS COMPENSATION IS SET BY THE HOSPITAL. THE HOSPITAL, IN DETERMINING COMPENSATION RELIES UPON A COMPENSATION COMMITTEE; AN INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEYS OR STUDIES, AND APPROVAL BY ITS BOARD OR COMPENSATION COMMITTEE.

SCHEDULE J, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457(F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AND AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED ANNUALLY. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. SECTION 457(F)CONTRIBUTIONS ARE REPORTED ON SCHEDULE J PART II COLUMN C. DURING 2013 SECTION 457(F)

Part III Supplemental Information

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

CONTRIBUTIONS WERE CREDITED AS FOLLOWS TOWARDS THE PLAN:

BRUCE D. CUMMINGS	$80,112
LUGENE INZANA	$29,749
MAUREEN ANDERSON	$19,561

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	18.	328,043.	MARKET VALUE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(_____)				
26	Other ▶(_____)				
27	Other ▶(_____)				
28	Other ▶(_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? 30a		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? 31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? 32a		X
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN B

L & M CORPORATION IS REPORTING THE NUMBER OF CONTRIBUTIONS RECEIVED

DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

FORM 990, PART I, LINE 1 & PART III, LINE 1

LAWRENCE & MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, WESTERLY HOSPITAL AND LAWRENCE & MEMORIAL PHYSICIAN ASSOCIATION. LAWRENCE & MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE & MEMORIAL FOUNDATION, LAWRENCE & MEMORIAL SYSTEMS, LAWRENCE & MEMORIAL INDEMNITY AND TO LAWRENCE & MEMORIAL HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

FORM 990, PART VI, LINE 1

THE BYLAWS GRANT THE EXECUTIVE COMMITTEE OF THE BOARD (MADE UP OF BOARD OFFICERS) THE RIGHT TO EXERCISE THE POWER OF THE BOARD IF A TIME-SENSITIVE MATTER EXISTS THAT BE CONTRARY TO THE ORGANIZATION'S INTEREST IF NOT ADDRESSED BEFORE THE NEXT REGULAR MEETING. ALL ACTS OF THE EXECUTIVE COMMITTEE MUST BE RATIFIED BY THE BOARD AT THE NEXT REGULAR BOARD MEETING.

FORM 990, PART VI, LINE 2

BOARD MEMBERS R. ALAN HUNTER, LUGENE INZANA, JIM MOYLAN, SETH VAN ESSENDELFT AND MAUREEN ANDERSON ARE ALSO MEMBERS OF LAWRENCE & MEMORIAL INDEMNITY.

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

FORM 990, PART VI, LINE 6

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF LAWRENCE & MEMORIAL CORPORATION.

FORM 990, PART VI, LINE 7A

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF LAWRENCE & MEMORIAL CORPORATION.

FORM 990, PART VI, LINE 11C

THE FORM 990 IS PREPARED BY THE ORGANIZATION AND REVIEWED BY EXTERNAL TAX CONSULTANTS. A DRAFT VERSION OF THE RETURN IS PROVIDED TO MANAGEMENT FOR REVIEW. ANY NECESSARY CHANGES ARE MADE PRIOR TO THE FINAL REVIEW AND SIGNING OF THE RETURN BY THE ORGANIZATION'S INDEPENDENT TAX CONSULTANTS. THE FINAL FORM 990 IS PROVIDED TO THE BOARD PRIOR TO FILING.

FORM 990, PART VI, LINES 12C

LAWRENCE & MEMORIAL CORPORATION HAS ADOPTED A CONFLICT OF INTEREST POLICY AT THE CORPORATE LEVEL WHICH APPLIES TO ALL OF ITS AFFILIATES. LAWRENCE & MEMORIAL CORPORATION REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY LAWRENCE & MEMORIAL CORPORATION'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

THE OFFICER'S COMPENSATION AND BENEFITS REPORTED IN PART VII ARE

DETERMINED BY LAWRENCE & MEMORIAL HOSPITAL. LAWRENCE & MEMORIAL HOSPITAL'S EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS THE EXECUTIVE COMPENSATION COMMITTEE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

FORM 990, PART VI, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

FORM 990, PART VI, LINE 19

DOCUMENTS ARE AVAILABLE UPON REQUEST.

FORM 990, PART IX, LINE 11 & PART I, LINE 16

FUNDRAISING EXPENSES ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). CONTRIBUTIONS AND FUNDRAISING EXPENSES FOR LMW HEALTHCARE, INC. ARE REPORTED ON THE FORM 990 FOR THE WESTERLY HOSPITAL FOUNDATION (EIN 05-0508064).

FORM 990, PART XI, LINE 9

TRANSFER TO/FROM AFFILIATES	$12,237,913
FUNDRAISING	($98,470)
TOTAL	$12,139,443

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

ATTACHMENT 1

FORM 990, PART IX - OTHER FEES

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
CONSULTING	152,771.	152,771.		
TOTALS	152,771.	152,771.		

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL HEALTHCARE 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(2) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	3	L&M CORP	X	
(3) LAWRENCE & MEMORIAL FOUNDATION 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SOUTHEASTERN C 20-8006123 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M HOSP	X	
(5) VNA OF SOUTHEASTERN CONNECTICUT 06-0646616 200 BOSTON POST ROAD WATERFORD, CT 06386	HOME HEALTHCA	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M CORP	X	
(7) LMW HEALTHCARE, INC. 46-0543230 25 WELLS STREET WESTERLY, RI 02879	HEALTHCARE	RI	501(C)(3)	3	L&M CORP	X	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION 05-0508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 A-I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

DOHP1029

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

Schedule R (Form 990) 2013

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M HOMECARE 06-1389372 365 MONTAUK AVENUE NEW LONDON, CT 06320	HOME THERAPY	CT	L&M SYSTEMS	C CORP	478,724.	2,700,733.	100.0000	X	
(2) L&M SYSTEMS, INC. 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	L&M CORP	C CORP	-2,963.	2,239,930.	100.0000	X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CJ	INSURANCE	CJ	L&M CORP	C CORP		19,346,431.	100.0000	X	
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSP	TRUST				X	
(5)									
(6)									
(7)									

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

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

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

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	L&M HOSPITAL	P	334,494.	CASH
(2)	L&M HOSPITAL	Q	818,858.	CASH
(3)	LMW HEALTHCARE, INC.	B	66,728.	CASH
(4)	L&M HOSPITAL	C	33,992,561.	CASH
(5)				
(6)				

DOHP1031

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

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

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

Part VII **Supplemental Information**

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

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10/01, 2012, and ending 09/30, 20 13

B Check if applicable:
- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization: LAWRENCE & MEMORIAL CORPORATION

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE

Room/suite:

City, town or post office, state, and ZIP code: NEW LONDON, CT 06320

D Employer identification number: 22-2553028

E Telephone number: (860) 442-0711

G Gross receipts $ 32,609,430.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? Yes [ ] No [X]

H(b) Are all affiliates included? Yes [ ] No [ ]

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ N/A

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
SEE SCHEDULE O

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	14.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	12.
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	0
	6	Total number of volunteers (estimate if necessary)	12.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
	7b	Net unrelated business taxable income from Form 990-T, line 34	0

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	2,850,055.	2,685,385.
	9 Program service revenue (Part VIII, line 2g)	0	0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,680,143.	806,032.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	379,972.	166,297.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,910,170.	3,657,714.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,991,470.	3,443,264.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,991,470.	3,443,264.
	19 Revenue less expenses. Subtract line 18 from line 12	1,918,700.	214,450.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	70,674,947.	65,995,392.
	21 Total liabilities (Part X, line 26)	221,394.	14,710,077.
	22 Net assets or fund balances. Subtract line 21 from line 20	70,453,553.	51,285,315.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: GWEN SPENCER	Preparer's signature	Date: 8-7-14	Check [ ] if self-employed; PTIN: P00641463
Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no. 617-530-5000

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

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DOHP1034

Form 8868 (Rev. 1-2013)

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box . . . . . ▶ X

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	LAWRENCE & MEMORIAL CORPORATION	22-2553028
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ BRUCE CUMMINGS
  Telephone No. ▶ 860 442-0711 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ ☐. If it is for part of the group, check this box . . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 08/15, 20 14.

5 For calendar year _____, or other tax year beginning 10/01, 20 12, and ending 09/30, 20 13.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE AND COMPLETE AN ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

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

Signature ▶ _____ Title ▶ CFO Date ▶ 5/12/14

BA
1648EG 7377 V 12-7.12

Form **8868**
(Rev. January 2013)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or (Enter filer's identifying number, see instructions)
File by the due date for filing your return. See instructions.	LAWRENCE & MEMORIAL CORPORATION	22-2553028
	Number, street, and room or suite no. If a P.O. box, see instructions. 365 MONTAUK AVENUE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720- (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ BRUCE CUMMINGS

Telephone No. ▶ 860 442-0711 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 05/15, 20 14, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year 20____ or
▶ [X] tax year beginning 10/01, 2012, and ending 09/30, 20 13.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:
SEE SCHEDULE O

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

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

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

4a (Code:) (Expenses $ 570,623. including grants of $) (Revenue $)
LAWRENCE AND MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, WESTERLY HOSPITAL AND L&M PHYSICIAN ASSOCIATION. LAWRENCE AND MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE AND MEMORIAL FOUNDATION, LAWRENCE & MEMORIAL SYSTEMS, LAWRENCE & MEMORIAL INDEMNITY AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

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

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

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

4e Total program service expenses ▶ 570,623.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

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

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year.	1a 14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ BRUCE CUMMINGS 365 MONTAUK AVENUE NEW LONDON, CT 06320 (860)442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ULYSSES B. HAMMOND	2.00									
CHAIRMAN	4.00	X		X				0	0	0
(2) GRANVILLE MORRIS	2.00									
VICE CHAIRMAN	4.00	X		X				0	0	0
(3) FRED A. CONTI, CPA	2.00									
TREASURER	2.00	X		X				0	0	0
(4) MARILYNN MALERBA	2.00									
SECRETARY	6.00	X		X				0	0	0
(5) R. ALAN HUNTER	2.00									
DIRECTOR	6.00	X						0	0	0
(6) KATHLEEN STEAMER, CPA	2.00									
DIRECTOR	2.00	X						0	0	0
(7) BRUCE D. CUMMINGS	2.00									
PRESIDENT/CEO	38.00	X		X				0	639,015.	94,876.
(8) KATHLEEN CROOK	2.00									
DIRECTOR - AS OF 12/12/12	0	X						0	0	0
(9) CHRISTOPHER R. JALBERT, M.D.	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(10) JON T. KODAMA	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(11) LISA KONICKI	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(12) R. PRESTON LAMBERTON, M.D.	2.00									
DIRECTOR - AS OF 12/12/2012	38.00	X						0	224,376.	32,812.
(13) ROBERT NARDONE	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(14) ROSS J. SANFILIPPO, DMD	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) HENRY AMDUR, MD	2.00									
EX-OFFICIO, UNTIL 12/12/12	38.00	X		X				0	392,947.	17,419.
(16) DONALD J. FELITTO, MD	2.00									
EX-OFFICIO UNTIL 12/12/12	4.00	X		X				0	37,631.	0
(17) DAVID REISFELD, MD	2.00									
EX-OFFICIO UNTIL 12/12/12	38.00	X		X				0	376,610.	34,798.
(18) SCOTT D. BATES	2.00									
DIRECTOR - UNTIL 12/12/12	4.00	X						0	0	0
(19) MARY ELLEN JUKOWSKI, EDD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(20) ROBERT KELTNER, MD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	80,237.	0
(21) LEON J. OLIVIER	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(22) CAROL O. RIDGWAY	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(23) B. MICHAEL RAUH, JR.	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(24) JAY E. ALLEN, DMD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(25) MAUREEN ANDERSON	2.00									
ASSISTANT SECRETARY	38.00			X				0	263,121.	50,294.
1b Sub-total ▶								0	863,391.	127,688.
c Total from continuation sheets to Part VII, Section A ▶								0	1,505,067.	163,594.
d Total (add lines 1b and 1c) ▶								0	2,368,458.	291,282.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(26) LUGENE INZANA VP CHIEF FINANCIAL OFFICER	2.00 38.00			X				0	354,521.	61,083.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

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

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,685,385.			
	g	Noncash contributions included in lines 1a-1f: $		94,493.			
	h	Total. Add lines 1a-1f		2,685,385.			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		583,972.			583,972.
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	29,069,064.				
	b	Less: cost or other basis and sales expenses	28,771,324.	75,680.			
	c	Gain or (loss)	297,740.	-75,680.			
	d	Net gain or (loss)		222,060.			222,060.
	8a	Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18	a 271,009.				
	b	Less: direct expenses	b 104,712.				
	c	Net income or (loss) from fundraising events		166,297.			166,297.
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d		0			
	12	Total revenue. See instructions		2,657,714.			972,329.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0			
11 Fees for services (non-employees):				
a Management	0			
b Legal	2,826,154.		2,826,154.	
c Accounting	6,910.		6,910.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	88,830.	88,830.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	287,194.	287,194.		
12 Advertising and promotion	0			
13 Office expenses	407.	407.		
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	39,577.		39,577.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	38,526.	38,526.		
23 Insurance	0			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES	85,666.	85,666.		
b CORPORATE SPONSORSHIP	70,000.	70,000.		
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	3,443,264.	570,623.	2,872,641.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		1,052,774.	2	275,329.
	3	Pledges and grants receivable, net		1,118,113.	3	1,917,332.
	4	Accounts receivable, net		0	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		832,033.	7	39,795.
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		210,000.	9	0
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 12,352,409.			
	b	Less: accumulated depreciation	10b 47,756.	11,185,014.	10c	12,304,653.
	11	Investments - publicly traded securities		53,094,324.	11	32,176,836.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		3,182,689.	15	19,281,447.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		70,674,947.	16	65,995,392.
Liabilities	17	Accounts payable and accrued expenses		0	17	0
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties ATCH 1		0	23	13,802,758.
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		221,394.	25	907,319.
	26	**Total liabilities.** Add lines 17 through 25		221,394.	26	14,710,077.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		69,190,936.	27	50,262,836.
	28	Temporarily restricted net assets		1,262,617.	28	1,022,479.
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		70,453,553.	33	51,285,315.
	34	Total liabilities and net assets/fund balances		70,674,947.	34	65,995,392.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,657,714.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,443,264.
3	Revenue less expenses. Subtract line 2 from line 1	3	214,450.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	70,453,553.
5	Net unrealized gains (losses) on investments	5	2,590,798.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-21,973,486.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	51,285,315.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . . 11g(i)

(ii) A family member of a person described in (i) above? . . . . . 11g(ii)

(iii) A 35% controlled entity of a person described in (i) or (ii) above? . . . . . 11g(iii)

h Provide the following information about the supported organization(s).

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

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

Schedule A (Form 990 or 990-EZ) 2012

JSA
2E1210 1.000

1648EG 7377

V 12-7.12

DOHP1049

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
L & M HOSPITAL	06-0646704	03	X			0
LNW HEALTHCARE, INC.	46-0543230	03	X			0
L & M HEALTHCARE	22-2553031	03	X			0
TOTAL AMOUNT OF SUPPORT						

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

Schedule of Contributors

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

OMB No. 1545-0047

2012

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HILDEGARD F. LEE 186 JERRY BROWNE RD., #4405 MYSTIC, CT 06355	$ 80,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	ESTATE OF LAURENCE P. SMITH 301 JEFFERSON AVE NEW LONDON, CT 06320	$ 73,568.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE ANTONIO AUTO GROUP 543 COLEMAN ST NEW LONDON, CT 06320	$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	ESTATE OF DOROTHY L. GARRIGAN 2 UNION PLAZA, SUITE 200 NEW LONDON, CT 06320	$ 203,273.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,947,028.	2,598,925.	2,744,154.	2,633,876.	2,712,489.
b Contributions					
c Net investment earnings, gains, and losses	387,154.	385,153.	-2,909.	237,263.	5,422.
d Grants or scholarships					
e Other expenditures for facilities and programs	26,996.	33,652.	136,438.	121,124.	83,156.
f Administrative expenses	7,105.	3,398.	5,882.	5,861.	879.
g End of year balance	3,300,081.	2,947,028.	2,598,925.	2,744,154.	2,633,876.

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

a Board designated or quasi-endowment ▶ 100.0000 %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

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

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

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,096,790.		11,096,790.
b Buildings				
c Leasehold improvements				
d Equipment		21,774.	16,910.	4,864.
e Other		1,233,845.	30,846.	1,202,999.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				12,304,653.

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

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

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

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

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

(a) Description	(b) Book value
(1) INVESTMENTS IN SUBSIDIARIES	19,281,447.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	19,281,447.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) GIFT ANNUITY PAYABLE	148,360.
(3) DUE TO L&M HOSPITAL	758,959.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	907,319.

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

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

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

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

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

Part XIII Supplemental Information

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

PT V LINE 4

ENDOWMENT FUNDS PROVIDE UNRESTRICTED FUNDS FOR L & M HOSPITAL.

PT X

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN

48 FOOTNOTE.

SCHEDULE F (Form 990)

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		8,324,546.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total					8,324,546.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					8,324,546.

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

Schedule F (Form 990) 2012

JSA
2E1274 1.000

1648FG 7377

V 12-7.12

DOHP1062

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

DOHP1063

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713)*	☐ Yes	☒ No

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

PT I LINE 2

N/A

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 AUXILLIARY FUN (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	226,224.	44,785.	0	271,009.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	226,224.	44,785.	0	271,009.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	104,661.	51.	0	104,712.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(104,712.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				166,297.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☐ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☐ Compensation survey or study		
	☐ Form 990 of other organizations	☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Schedule J (Form 990) 2012

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	MAUREEN ANDERSON ASSISTANT SECRETARY	(i)	0	0	0	0	0	0	0
		(ii)	241,289.	21,022.	810.	30,038.	20,256.	313,415.	0
2	BRUCE D. CUMMINGS PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
		(ii)	534,064.	86,169.	18,782.	79,826.	15,050.	733,891.	0
3	LUGENE INZANA VP CHIEF FINANCIAL OFFICER	(i)	0	0	0	0	0	0	0
		(ii)	317,189.	36,090.	1,242.	40,827.	20,256.	415,604.	0
4	R. PRESTON LAMBERTON, M. DIRECTOR - AS OF 12/12/2012	(i)	0	0	0	0	0	0	0
		(ii)	208,178.	3,813.	12,385.	9,180.	23,632.	257,188.	0
5	HENRY AMDUR, MD EX-OFFICIO, UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	287,227.	90,876.	14,844.	10,000.	7,419.	410,366.	0
6	DAVID REISFELD, MD EX-OFFICIO UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	301,372.	71,998.	3,240.	10,000.	24,798.	411,408.	0
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

DOHP1071

Schedule J (Form 990) 2012

Part III Supplemental Information

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

PT I LINE 3

THE PRESIDENT/CEO OF LAWRENCE & MEMORIAL CORPORATION RECEIVES NO COMPENSATION FROM THE ORGANIZATION. HE IS AN EMPLOYEE AT LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, AND HIS COMPENSATION IS SET BY THE HOSPITAL. THE HOSPITAL, IN DETERMINING COMPENSATION RELIES UPON A COMPENSATION COMMITTEE; AN INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEYS OR STUDIES, AND APPROVAL BY ITS BOARD OR COMPENSATION COMMITTEE.

PT I LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457 (F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AND AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED ANNUALLY. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. DURING 2012 SECTION 457(F) CONTRIBUTIONS WERE CREDITED AS FOLLOWS TOWARDS THE PLAN:

DOHP1072

Part III Supplemental Information

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

BRUCE D. CUMMINGS $69,826

LUGENE INZANA $30,827

MAUREEN ANDERSON $20,030

DOHP1073

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	12.	94,493.	MARKET VALUE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(_____)				
26	Other ▶(_____)				
27	Other ▶(_____)				
28	Other ▶(_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

PT I COL B

L & M CORPORATION IS REPORTING THE NUMBER OF CONTRIBUTIONS RECEIVED

DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

PT I, LINE 1 & PT III, LINE 1

LAWRENCE AND MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, WESTERLY HOSPITAL AND L&M PHYSICIAN ASSOCIATION. LAWRENCE AND MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE AND MEMORIAL FOUNDATION, LAWRENCE & MEMORIAL SYSTEMS, LAWRENCE & MEMORIAL INDEMNITY AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

PT VI-A, LINE 1

THE BYLAWS GRANT THE EXECUTIVE COMMITTEE OF THE BOARD (MADE UP OF BOARD OFFICERS) THE RIGHT TO EXCERCISE THE POWER OF THE BOARD IF A TIME-SENSITIVE MATTER EXISTS THAT BE CONTRARY TO THE ORGANIZATION'S INTEREST IF NOT ADDRESSED BEFORE THE NEXT REGULAR MEETING. ALL ACTS OF THE EXECUTIVE COMMITTEE MUST BE RATIFIED BY THE BOARD AT THE NEXT REGULAR BOARD MEETING.

PT VI-A, LINE 2

BOARD MEMBERS R. ALAN HUNTER, LUGENE INZANA AND MAUREEN ANDERSON ARE ALSO MEMBERS OF L&M INDEMNITY.

PT VI-A, LINE 4

THE ORGANIZATION AMENDED ITS BYLAWS EFFECTIVE JULY 29, 2013 TO INCLUDE LMW HEALTHCARE, INC. DOING BUSINESS AS WESTERLY HOSPITAL AS A SUBSIDIARY

ORGANIZATION.

PT VI-A, LINE 6

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

PT VI-A, LINE 7A

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

PT VI-B, LINE 11A

THE TAX RETURN IS PREPARED BY THE ORGANIZATION AND REVIEWED BY EXTERNAL TAX CONSULTANTS. A DRAFT VERSION OF THE RETURN IS PROVIDED TO MANAGEMENT FOR REVIEW. ANY NECESSARY CHANGES ARE MADE PRIOR TO THE FINAL REVIEW AND SIGNING OF THE RETURN, BY THE ORGANIZATION'S INDEPENDENT TAX CONSULTANTS. THE FINAL TAX RETURN IS PROVIDED TO THE BOARD PRIOR TO FILING.

PT VI-B, LINE 12C

L & M CORPORATION DOES NOT HAVE ITS OWN CONFLICT OF INTEREST POLICY. IN PRACTICE , IT COMPLIES WITH THE CORRESPONDING POLICIES OF L & M HOSPITAL. L & M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L & M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

PT VI-B, LINE 15

THE OFFICER'S COMPENSATION AND BENEFITS REPORTED IN PART VII ARE

DETERMINED BY L & M HOSPITAL. L & M HOSPITAL'S EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS THE EXECUTIVE COMPENSATION COMMITTEE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

PT VI-C, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

PT VI-C, LINE 19

DOCUMENTS ARE AVAILABLE UPON REQUEST.

PT IX, LINE 11 & PT I LINE 16

FUNDRAISING EXPENSES ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). CONTRIBUTIONS AND FUNDRAISING EXPENSES FOR LMW HEALTHCARE, INC. ARE REPORTED ON THE FORM 990 FOR THE WESTERLY HOSPITAL FOUNDATION.

PT XI, LINE 9

TRANSFER FROM AFFILIATES	($21,837,641)
FUNDRAISING	($135,845)
TOTAL	(21,973,486)

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

ATTACHMENT 1

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: LINE OF CREDIT - BOA	
ENDING BALANCE DUE	13,802,758.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	13,802,758.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) LAWRENCE & MEMORIAL HEALTHCARE 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(2) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	3	L&M CORP	X	
(3) LAWRENCE & MEMORIAL FOUNDATION 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SOUTHEASTERN C 20-8006123 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M HOSP	X	
(5) VNA OF SOUTHEASTERN CONNECTICUT 06-0646616 200 BOSTON POST ROAD WATERFORD, CT 06386	HOME HEALTHCA	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M CORP	X	
(7) LMW HEALTHCARE, INC. 46-0543230 25 WELLS STREET WESTERLY, RI 02879	HEALTHCARE	RI	501(C)(3)	3	L&M CORP	X	

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

JSA

2E1307 1.000

1648FG 7377

V 12-7.12

DOHP1080

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION 050508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 A-I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

JSA

2E1307 1.000
1648FG 7377

V 12-7.12

DOHP1081

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M HOMECARE 06-1389272 365 MONTAUK AVENUE NEW LONDON, CT 06320	HOME THERAPY	CT	L&M SYSTEMS	C CORP	387,669.	2,287,715.	100.0000	X	
(2) L&M SYSTEMS, INC. 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06370	PHYSICIAN PRA	CT	L&M CORP	C CORP	-7,643.	2,247,232.	100.0000	X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KYI-1102 GRAND CAYMAN, CJ	INSURANCE	CJ	L&M CORP	C CORP		15,326,032.	100.0000	X	
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSP	TRUST				X	
(5)									
(6)									
(7)									

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

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

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

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

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	L&M HOSPITAL	P	549,237.	CASH
(2)	L&M HOSPITAL	Q	1,021,669.	CASH
(3)	LMW HEALTHCARE, INC.	B	66,728.	CASH
(4)	L&M HOSPITAL	C	24,955,263.	CASH
(5)	L&M HOSPITAL	F	24,029.	CASH
(6)				

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

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

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

DOHP1084

Part VII **Supplemental Information**

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

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10/01, 2011, and ending 09/30, 20 12

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: LAWRENCE & MEMORIAL CORPORATION

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE

Room/suite:

City or town, state or country, and ZIP + 4: NEW LONDON, CT 06320

D Employer identification number: 22-2553028

E Telephone number: (860) 442-0711

G Gross receipts $: 49,657,476.

F Name and address of principal officer: LUGENE INZANA
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ N/A

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	18.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11.
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	13.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	4,913,892.	2,850,055.
9	Program service revenue (Part VIII, line 2g)	0	0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,233,886.	1,680,143.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	121,803.	379,972.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,269,581.	4,910,170.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	471,267.	2,991,470.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	471,267.	2,991,470.
19	Revenue less expenses. Subtract line 18 from line 12	6,798,314.	1,918,700.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	63,871,178.	70,674,947.
21	Total liabilities (Part X, line 26)	236,343.	221,394.
22	Net assets or fund balances. Subtract line 21 from line 20	63,634,835.	70,453,553.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: GWEN SPENCER | Preparer's signature | Date: 8.13.13 | Check [ ] if self-employed | PTIN: P00641463

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP | Firm's EIN ▶ 13-4008324

Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110 | Phone no. 617-530-5000

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

FW 67 201209 670 0641 K 29404-138-56417-3 A0143968 211A
201323 046863 06320 IRS USE ONLY 222553028 TE 3

Department of the Treasury
Internal Revenue Service
Ogden UT 84201

For assistance, call:
1-877-829-5500
FAX 801-620-5670

Notice Number: CP211A
Date: June 24, 2013

Taxpayer Identification Number:
22-2553028
Tax Form: 990
Tax Period: September 30, 2012

021498.196930.0083.002 1 AB 0.384 373

LAWRENCE AND MEMORIAL CORPORATION
365 MONTAUK AVE
NEW LONDON CT 06320-4700

021498

APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **August 15, 2013.**

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at www.irs.gov/eo. This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

DOHP1087

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions. Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	LAWRENCE & MEMORIAL CORPORATION	[X] 22-2553028
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	[ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ LUGENE INZANA
  Telephone No. ▶ 860 442-0711 FAX No. ▶ 860 444-3736
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 08/15, 20 13.

5 For calendar year _____, or other tax year beginning 10/01, 20 11, and ending 09/30, 20 12.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE AND COMPLETE AN ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

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

Signature ▶ [signature] Title ▶ CFO/VP FINANCE Date ▶ 05/07/2013

JSA
1F8055 4.000 1648FG 7377 5/6/2013 3:34:29 PM V 11-6.5

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:
SEE SCHEDULE O

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

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

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

4a (Code:) (Expenses $ 1,049,916. including grants of $) (Revenue $)
THE CORPORATION ORGANIZES FUNDRAISING ACTIVITIES AND THE PROCEEDS ARE GRANTED TO LAWRENCE & MEMORIAL HOSPITAL FOR THE GENERAL OPERATING AND SUPPORT OF THE HOSPITAL.

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

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

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

4e Total program service expenses ▶ 1,049,916.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**
Check if Schedule O contains a response to any question in this Part V . . . . . ☐

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

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ EUGENE INZANA 365 MONTAUK AVENUE NEW LONDON, CT 06320 (860)442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) ULYSSES B. HAMMOND CHAIRMAN	2.00	X		X				0	0	0
(2) GRANVILLE MORRIS VICE CHAIRMAN	2.00	X		X				0	0	0
(3) FRED A. CONTI, CPA TREASURER	2.00	X		X				0	0	0
(4) MARILYNN MALERBA SECRETARY	2.00	X		X				0	0	0
(5) JAY E. ALLEN, DMD DIRECTOR	2.00	X						0	0	0
(6) SCOTT D. BATES DIRECTOR	2.00	X						0	0	0
(7) TONI HOOVER, PH.D DIRECTOR	2.00	X						0	0	0
(8) R. ALAN HUNTER DIRECTOR	2.00	X						0	0	0
(9) MARY ELLEN JUKOSKI, EDD DIRECTOR	2.00	X						0	0	0
(10) ROBERT KELTNER, MD DIRECTOR	2.00	X						0	89,908.	0
(11) LEON J. OLIVIER DIRECTOR	2.00	X						0	0	0
(12) CAROL O. RIDGWAY DIRECTOR	2.00	X						0	0	0
(13) KATHLEEN STEAMER, CPA DIRECTOR	2.00	X						0	0	0
(14) BRUCE D. CUMMINGS EX-OFFICIO, PRESIDENT AND CEO	2.00	X		X				0	630,226.	87,791.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) HENRY AMDUR, MD EX-OFFICIO, PAST PRES, MED STAFF	2.00	X		X				0	240,644.	0
(16) DONALD J. FELITTO, MD EX-OFFICIO, PRESIDENT, MED STAFF	2.00	X		X				0	19,575.	0
(17) DAVID F. REISFELD, MD AS OF 12/2011 EX-OFFICIO, VP, MEDICAL STAFF	2.00	X		X				0	294,872.	30,958.
(18) B. MICHAEL RAUH, JR. DIRECTOR AS OF 12/2011	2.00	X						0	0	0
(19) DANIEL O'SHEA DIRECTOR UNTIL 12/2011	2.00	X						0	0	0
(20) TIMOTHY BATES DIRECTOR UNTIL 12/2011	2.00	X						0	0	0
(21) L. JAMES CARROLL, CPA DIRECTOR UNTIL 12/2011	2.00	X						0	0	0
(22) MARY ANN D. BENTZ, MD UNTIL 12/2011 EX-OFFICIO, PRES. MED STAFF	2.00	X		X				0	0	0
(23) MAUREEN ANDERSON ASSISTANT SECRETARY	2.00			X				0	266,829.	31,820.
(24) LUGENE INZANA VP CHEIF FINANCIAL OFFICER	0			X				0	361,583.	35,986.
1b Sub-total ▶								0	720,134.	87,791.
c Total from continuation sheets to Part VII, Section A ▶								0	1,183,503.	98,764.
d Total (add lines 1b and 1c) ▶								0	1,903,637.	186,555.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f 2,850,055.				
	g Noncash contributions included in lines 1a-1f: $ 59,051.				
	h Total. Add lines 1a-1f ▶	2,850,055.			
Program Service Revenue		Business Code			
	2a				
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ▶	0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶	845,772.			845,772.
	4 Income from investment of tax-exempt bond proceeds ▶	0			
	5 Royalties ▶	0			
		(i) Real / (ii) Personal			
	6a Gross rents				
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶	0			
		(i) Securities / (ii) Other			
	7a Gross amount from sales of assets other than inventory 45,242,622.				
	b Less: cost or other basis and sales expenses 44,408,251.				
	c Gain or (loss) 834,371.				
	d Net gain or (loss) ▶	834,371.			834,371.
	8a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18 a 719,027.				
	b Less: direct expenses b 339,055.				
	c Net income or (loss) from fundraising events ▶	379,972.			379,972.
	9a Gross income from gaming activities. See Part IV, line 19 a				
	b Less: direct expenses b				
	c Net income or (loss) from gaming activities ▶	0			
	10a Gross sales of inventory, less returns and allowances a				
	b Less: cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶	0			
	Miscellaneous Revenue	Business Code			
	11a				
	b				
	c				
	d All other revenue				
	e Total. Add lines 11a-11d ▶	0			
	12 Total revenue. See instructions ▶	4,910,170.			2,060,115.

Form 990 (2011)

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Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0			
11 Fees for services (non-employees):				
a Management	0			
b Legal	1,925,396.		1,925,396.	
c Accounting	16,158.		16,158.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	83,094.	83,094.		
g Other	827,892.	827,892.		
12 Advertising and promotion	0			
13 Office expenses	0			
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	15.	15.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	7,680.	7,680.		
23 Insurance	0			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES	81,247.	81,247.		
b CORPORATE SPONSORSHIP	49,988.	49,988.		
c				
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	2,991,470.	1,049,916.	1,941,554.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		959,435.	2	1,052,774.
	3	Pledges and grants receivable, net		867,139.	3	1,118,113.
	4	Accounts receivable, net		0	4	0
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0
	7	Notes and loans receivable, net		861,458.	7	832,033.
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		0	9	210,000.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 11,267,385.			
	b	Less: accumulated depreciation	10b 82,371.	11,212,695.	10c	11,185,014.
	11	Investments - publicly traded securities		46,787,762.	11	53,094,324.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		3,182,689.	15	3,182,689.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		63,871,178.	16	70,674,947.
Liabilities	17	Accounts payable and accrued expenses		-547.	17	0
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		236,890.	25	221,394.
	26	**Total liabilities.** Add lines 17 through 25		236,343.	26	221,394.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		62,502,889.	27	69,190,936.
	28	Temporarily restricted net assets		1,131,946.	28	1,262,617.
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		63,634,835.	33	70,453,553.
	34	Total liabilities and net assets/fund balances		63,871,178.	34	70,674,947.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,910,170.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,991,470.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,918,700.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	63,634,835.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,900,018.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	70,453,553.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of support
(A) ATTACHMENT 1									
(B)									
(C)									
(D)									
(E)									
Total									0

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

Schedule A (Form 990 or 990-EZ) 2011

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10					12	

12 Gross receipts from related activities, etc. (see instructions) ▶

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **331/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **331/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
L & M HOSPITAL	06-0646704	03	X			0
L & M HEALTHCARE	22-2553031	09	X			0
TOTAL AMOUNT OF SUPPORT						0

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

Schedule of Contributors

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

OMB No. 1545-0047

2011

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	THE ESTATE OF FRED STURGES 348 BEAVER BROOK RD OLD LYME, CT 06371	$ 759,741.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	HILDEGARD F. LEE 186 JERRY BROWNE RD., #4405 MYSTIC, CT 06355	$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE ESTATE OF FRANCES PRUTTING 100 PENNSYLVANIA AVE. NIANTIC, CT 06357	$ 260,246.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	THE ESTATE OF SUSANNA SCHWARTZ 1 CORPORATE WAY LANSING, MI 48951	$ 93,554.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

JSA

1E1255 1.000

1648FG 7377

DOHP1107

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,598,925.	2,744,154.	2,633,876.	2,712,489.	
b Contributions					
c Net investment earnings, gains, and losses	385,153.	-2,909.	237,263.	5,422.	
d Grants or scholarships					
e Other expenditures for facilities and programs	33,652.	136,438.	121,124.	83,156.	
f Administrative expenses	3,398.	5,882.	5,861.	879.	
g End of year balance	2,947,028.	2,598,925.	2,744,154.	2,633,876.	

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

a Board designated or quasi-endowment ▶ 100.0000 %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

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

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

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,096,790.		11,096,790.
b Buildings		148,821.	65,461.	83,360.
c Leasehold improvements				
d Equipment		21,774.	16,910.	4,864.
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				11,185,014.

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

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

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

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

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) GIFT ANNUITY PAYABLE	221,394.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	221,394.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

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

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

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

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

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

PT V LINE 4

ENDOWMENT FUNDS PROVIDE UNRESTRICTED FUNDS FOR L & M HOSPITAL.

PT X

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN

48 FOOTNOTE.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		6,848,149.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total					6,848,149.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					6,848,149.

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

Schedule F (Form 990) 2011

JSA
1E1274 1.000
1648FG 7377

DOHP1113

Schedule F (Form 990) 2011

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

DOHP1114

JSA

1E1275 1.000

1648FG 7377

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

JSA
1E1278 1.000

DOHP1115

1648FG 7377

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☒ No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

PT I LINE 2

N/A

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 AUXILLIARY FUN (event type)	(c) Other Events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	189,820.	529,207.	0	719,027.
	2 Less: Charitable contributions				
	3 Gross income (line 1 minus line 2)	189,820.	529,207.	0	719,027.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	67,518.	271,537.	0	339,055.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(339,055.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				379,972.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?	4a	X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MAUREEN ANDERSON	(i)	0	0	0	0	0	0	0
	(ii)	240,640.	25,379.	810.	9,800.	22,020.	298,649.	0
2 BRUCE D. CUMMINGS	(i)	0	0	0	0	0	0	0
	(ii)	534,401.	77,543.	18,282.	79,440.	8,351.	718,017.	0
3 HENRY AMDUR, MD	(i)	0	0	0	0	0	0	0
	(ii)	47,079.	0	193,565.	0	0	240,644.	0
4 DAVID F. REISFELD, MD A	(i)	0	0	0	0	0	0	0
	(ii)	270,815.	19,015.	5,042.	8,938.	22,020.	325,830.	0
5 LUGENE INZANA	(i)	0	0	0	0	0	0	0
	(ii)	313,283.	47,058.	1,242.	9,800.	26,186.	397,569.	0
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

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Schedule J (Form 990) 2011

Part III Supplemental Information

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

PT I LINE 3

THE PRESIDENT/CEO OF LAWRENCE & MEMORIAL CORPORATION RECEIVES NO COMPENSATION FROM THE ORGANIZATION. HE IS AN EMPLOYEE AT LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, AND HIS COMPENSATION IS SET BY THE HOSPITAL. THE HOSPITAL, IN DETERMINING COMPENSATION RELIES UPON A COMPENSATION COMMITTEE; AN INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEYS OR STUDIES, AND APPROVAL BY ITS BOARD OR COMPENSATION COMMITTEE.

PT I LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457 (F) CEO SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S PRESIDENT AND CHEIF EXECUTIVE OFFICER, BRUCE D. CUMMINGS. AMOUNTS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. DURING 2011 BRUCE D. CUMMINGS RECEIVED 457(F) CONTRIBUTIONS OF $69,640 TOWARD THE PLAN.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	11.	59,051.	MARKET VALUE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶( )				
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? 30a		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? 31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? 32a		X
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

PT I COL B

L & M CORPORATION IS REPORTING THE NUMBER OF CONTRIBUTIONS RECEIVED

DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

PT I, LINE 1 & PT III, LINE 1

LAWRENCE AND MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMEORIAL HOSPITAL. LAWRENCE AND MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE AND MEMORIAL FOUNDATION AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

PT VI-A, LINE 1

THE BYLAWS GRANT THE EXECUTIVE COMMITTEE OF THE BOARD (MADE UP OF BOARD OFFICERS) THE RIGHT TO EXCERCISE THE POWER OF THE BOARD IF A TIME-SENSITIVE MATTER EXISTS THAT BE CONTRARY TO THE ORGANIZATION'S INTEREST IF NOT ADDRESSED BEFORE THE NEXT REGULAR MEETING. ALL ACTS OF THE EXECUTIVE COMMITTEE MUST BE RATIFIED BY THE BOARD AT THE NEXT REGULAR BOARD MEETING.

PT VI-A, LINE 2

BOARD MEMBERS FOR L&M CORPORATION ARE ALSO BOARD MEMBERS OF L&M SYSTEMS. BOARD MEMBERS DONALD FELITTO, HENRY AMDUR, R. ALAN HUNTER, DANIEL RISSI AND MAUREEN ANDERSON ARE ALSO MEMBERS OF L&M INDEMNITY.

PT VI-A, LINE 6

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

PT VI-A, LINE 7A

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

PT VI-B, LINE 11A

THE TAX RETURN IS PREPARED BY THE ORGANIZATION AND REVIEWED BY EXTERNAL TAX CONSULTANTS. A DRAFT VERSION OF THE RETURN IS PROVIDED TO MANAGEMENT FOR REVIEW. ANY NECESSARY CHANGES ARE MADE PRIOR TO THE FINAL REVIEW AND SIGNING OF THE RETURN, BY THE ORGANIZATION'S INDEPENDENT TAX CONSULTANTS. THE FINAL TAX RETURN IS PROVIDED TO THE BOARD PRIOR TO FILING.

PT VI-B, LINE 12C

L & M CORPORATION DOES NOT HAVE ITS OWN CONFLICT OF INTEREST POLICY. IN PRACTICE , IT COMPLIES WITH THE CORRESPONDING POLICIES OF L & M HOSPITAL. L & M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L & M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

PT VI-B, LINE 15

THE OFFICER'S COMPENSATION AND BENEFITS REPORTED IN PART VII ARE DETERMINED BY L & M HOSPITAL. L & M HOSPITAL'S EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS THE EXECUTIVE COMPENSATION COMMITTE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

PT VI-C, LINE 19

DOCUMENTS ARE AVAILABLE UPON REQUEST.

PT XI, LINE 5

TRANSFER FROM AFFILIATES $3,184,351 PLUS UNREALIZED GAINS $2,235,559,

LESS NET PROCEEDS TRANSFERRED TO AFFILIATES - FUNDRAISING $519,892

PT IX, LINE 11 & PT I LINE 16

FUNDRAISING EXPENSES ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

ATTACHMENT 1

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

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
ULYSSES B. HAMMOND CHAIRMAN	2.00
GRANVILLE MORRIS VICE CHAIRMAN	2.00
FRED A. CONTI, CPA TREASURER	2.00
MARILYNN MALERBA SECRETARY	2.00
JAY E. ALLEN, DMD DIRECTOR	2.00
SCOTT D. BATES DIRECTOR	2.00
TONI HOOVER, PH.D DIRECTOR	2.00
R. ALAN HUNTER DIRECTOR	4.00
MARY ELLEN JUKOSKI, EDD DIRECTOR	2.00
ROBERT KELTNER, MD DIRECTOR	2.00
LEON J. OLIVIER DIRECTOR	2.00

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

ATTACHMENT 1 (CONT'D)

CAROL O. RIDGWAY DIRECTOR	2.00
KATHLEEN STEAMER, CPA DIRECTOR	2.00
BRUCE D. CUMMINGS EX-OFFICIO, PRESIDENT AND CEO	38.00
HENRY AMDUR, MD EX-OFFICIO,PAST PRES,MED STAFF	4.00
DONALD J. FELITTO, MD EX-OFFICIO,PRESIDENT,MED STAFF	4.00
DAVID F. REISFELD, MD AS OF 12/2011 EX-OFFICIO,VP,MEDICAL STAFF	38.00
B. MICHAEL RAUH, JR. DIRECTOR AS OF 12/2011	2.00
DANIEL O'SHEA DIRECTOR UNTIL 12/2011	2.00
TIMOTHY BATES DIRECTOR UNTIL 12/2011	2.00
L. JAMES CARROLL, CPA DIRECTOR UNTIL 12/2011	2.00
MARY ANN D. BENTZ, MD UNTIL 12/2011 EX-OFFICIO, PRES. MED STAFF	2.00
MAUREEN ANDERSON ASSISTANT SECRETARY	38.00
LUGENE INZANA VP CHEIF FINANCIAL OFFICER	40.00

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL HEALTHCARE 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501 (C) (3)	9	L&M CORP	X	
(2) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501 (C) (3)	3	L&M CORP	X	
(3) LAWRENCE & MEMORIAL FOUNDATION 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNRAISING	CT	501 (C) (3)	PF	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SOUTHEASTERN C 20-8006123 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501 (C) (3)	11AI	L&M HOSP	X	
(5) VNA OF SOUTHEASTERN CONNECTICUT 06-0646616 200 BOSTON POST ROAD WATERFORD, CT 06386	HOME HEALTHCA	CT	501 (C) (3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501 (C) (3)	11AI	L&M CORP	X	
(7)							

Schedule R (Form 990) 2011

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) L&M HOMECARE 06-1389272 365 MONTAUK AVENUE NEW LONDON, CT 06320	HOME THERAPY	CT	L&M SYSTEMS	C CORP	574,413.	2,273,543.	100.0000
(2) L&M SYSTEMS, INC. 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRACTIC	CT	L&M CORP	C CORP	-17,489.	2,142,827.	100.0000
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, GRAND CAYMAN, CJ CJ	INSURANCE	CJ	L&M CORP	C CORP		13,850,179.	100.0000
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSP	TRUST			
(5)							
(6)							
(7)							

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

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

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

(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1) L&M HOSPITAL	O	823,700.	CASH
(2) L&M HOSPITAL	P	953,491.	CASH
(3) L&M SYSTEMS	O	50,922.	CASH
(4) L&M HOSPITAL	C	3,184,351.	CASH
(5)			
(6)			

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

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

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

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Part VII **Supplemental Information**

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

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09/14/15 09:10 AM

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10/01, 2012, and ending 09/30, 20 13

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: LAWRENCE & MEMORIAL CORPORATION

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE

Room/suite:

City, town or post office, state, and ZIP code: NEW LONDON, CT 06320

D Employer identification number: 22-2553028

E Telephone number: (860) 442-0711

G Gross receipts $: 32,609,430.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ N/A

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
SEE SCHEDULE O

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	14.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12.
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	12.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,850,055.	2,685,385.
9	Program service revenue (Part VIII, line 2g)	0	0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,680,143.	806,032.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	379,972.	166,297.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,910,170.	3,657,714.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,991,470.	3,443,264.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,991,470.	3,443,264.
19	Revenue less expenses. Subtract line 18 from line 12	1,918,700.	214,450.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	70,674,947.	65,995,392.
21	Total liabilities (Part X, line 26)	221,394.	14,710,077.
22	Net assets or fund balances. Subtract line 21 from line 20	70,453,553.	51,285,315.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: GWEN SPENCER	Preparer's signature	Date: 8-7-14	Check [ ] if self-employed; PTIN: P00641463
Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no. 617-530-5000

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

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Form 8868 (Rev. 1-2013)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions Employer identification number (EIN) or
	LAWRENCE & MEMORIAL CORPORATION	22-2553028
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ BRUCE CUMMINGS
  Telephone No. ▶ 860 442-0711 FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 08/15, 20 14.

5 For calendar year _____, or other tax year beginning 10/01, 20 12, and ending 09/30, 20 13.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE AND COMPLETE AN ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

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

Signature ▶ _____ Title ▶ CFO Date ▶ 5/12/14

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Form **8868**
(Rev. January 2013)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	LAWRENCE & MEMORIAL CORPORATION	22-2553028
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . [0 1]

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720- (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ BRUCE CUMMINGS

Telephone No. ▶ 860 442-0711 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 05/15, 20 14, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [ ] calendar year 20 ____ or

▶ [X] tax year beginning 10/01, 2012, and ending 09/30, 20 13.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Form **8868** (Rev. 1-2013)

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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses $ 570,623. including grants of $) (Revenue $)

LAWRENCE AND MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, WESTERLY HOSPITAL AND L&M PHYSICIAN ASSOCIATION. LAWRENCE AND MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE AND MEMORIAL FOUNDATION, LAWRENCE & MEMORIAL SYSTEMS, LAWRENCE & MEMORIAL INDEMNITY AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

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

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

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

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

4e Total program service expenses ▶ 570,623.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**
Check if Schedule O contains a response to any question in this Part V . . . . . ☐

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

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 14		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ BRUCE CUMMINGS 365 MONTAUK AVENUE NEW LONDON, CT 06320 (860)442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ULYSSES B. HAMMOND	2.00									
CHAIRMAN	4.00	X		X				0	0	0
(2) GRANVILLE MORRIS	2.00									
VICE CHAIRMAN	4.00	X		X				0	0	0
(3) FRED A. CONTI, CPA	2.00									
TREASURER	2.00	X		X				0	0	0
(4) MARILYNN MALERBA	2.00									
SECRETARY	6.00	X		X				0	0	0
(5) R. ALAN HUNTER	2.00									
DIRECTOR	6.00	X						0	0	0
(6) KATHLEEN STEAMER, CPA	2.00									
DIRECTOR	2.00	X						0	0	0
(7) BRUCE D. CUMMINGS	2.00									
PRESIDENT/CEO	38.00	X		X				0	639,015.	94,876.
(8) KATHLEEN CROOK	2.00									
DIRECTOR - AS OF 12/12/12	0	X						0	0	0
(9) CHRISTOPHER R. JALBERT, M.D.	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(10) JON T. KODAMA	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(11) LISA KONICKI	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(12) R. PRESTON LAMBERTON, M.D.	2.00									
DIRECTOR - AS OF 12/12/2012	38.00	X						0	224,376.	32,812.
(13) ROBERT NARDONE	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0
(14) ROSS J. SANFILIPPO, DMD	2.00									
DIRECTOR - AS OF 06/2013	0	X						0	0	0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) HENRY AMDUR, MD	2.00									
EX-OFFICIO, UNTIL 12/12/12	38.00	X		X				0	392,947.	17,419.
(16) DONALD J. FELITTO, MD	2.00									
EX-OFFICIO UNTIL 12/12/12	4.00	X		X				0	37,631.	0
(17) DAVID REISFELD, MD	2.00									
EX-OFFICIO UNTIL 12/12/12	38.00	X		X				0	376,610.	34,798.
(18) SCOTT D. BATES	2.00									
DIRECTOR - UNTIL 12/12/12	4.00	X						0	0	0
(19) MARY ELLEN JUKOWSKI, EDD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(20) ROBERT KELTNER, MD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	80,237.	0
(21) LEON J. OLIVIER	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(22) CAROL O. RIDGWAY	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(23) B. MICHAEL RAUH, JR.	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(24) JAY E. ALLEN, DMD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(25) MAUREEN ANDERSON	2.00									
ASSISTANT SECRETARY	38.00			X				0	263,121.	50,294.
1b Sub-total								0	863,391.	127,688.
c Total from continuation sheets to Part VII, Section A								0	1,505,067.	163,594.
d Total (add lines 1b and 1c)								0	2,368,458.	291,282.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(26) LUGENE INZANA VP CHIEF FINANCIAL OFFICER	2.00 38.00			X				0	354,521.	61,083.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

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

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	2,685,385.			
	g Noncash contributions included in lines 1a-1f: $ 94,493.					
	h Total. Add lines 1a-1f ▶		2,685,385.			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶		0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		583,972.			583,972.
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
		(i) Real	(ii) Personal			
	6a Gross rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶		0			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	29,069,064.				
	b Less: cost or other basis and sales expenses	28,771,324.	75,680.			
	c Gain or (loss)	297,740.	-75,680.			
	d Net gain or (loss) ▶		222,060.			222,060.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a	271,009.				
	b Less: direct expenses b	104,712.				
	c Net income or (loss) from fundraising events ▶		166,297.			166,297.
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶		0			
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d ▶		0			
	12 Total revenue. See instructions ▶		3,657,714.			972,329.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0			
11 Fees for services (non-employees):				
a Management	0			
b Legal	2,826,154.		2,826,154.	
c Accounting	6,910.		6,910.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	88,830.	88,830.		
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	287,194.	287,194.		
12 Advertising and promotion	0			
13 Office expenses	407.	407.		
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	39,577.		39,577.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	38,526.	38,526.		
23 Insurance	0			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SERVICES	85,666.	85,666.		
b CORPORATE SPONSORSHIP	70,000.	70,000.		
c				
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	3,443,264.	570,623.	2,872,641.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		1,052,774.	2	275,329.
	3	Pledges and grants receivable, net		1,118,113.	3	1,917,332.
	4	Accounts receivable, net		0	4	0
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		832,033.	7	39,795.
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		210,000.	9	0
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 12,352,409.			
	b	Less: accumulated depreciation	10b 47,756.	11,185,014.	10c	12,304,653.
	11	Investments - publicly traded securities		53,094,324.	11	32,176,836.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		3,182,689.	15	19,281,447.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		70,674,947.	16	65,995,392.
Liabilities	17	Accounts payable and accrued expenses		0	17	0
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties ATCH 1		0	23	13,802,758.
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		221,394.	25	907,319.
	26	**Total liabilities.** Add lines 17 through 25		221,394.	26	14,710,077.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		69,190,936.	27	50,262,836.
	28	Temporarily restricted net assets		1,262,617.	28	1,022,479.
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		70,453,553.	33	51,285,315.
	34	Total liabilities and net assets/fund balances		70,674,947.	34	65,995,392.

Form **990** (2012)

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,657,714.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,443,264.
3	Revenue less expenses. Subtract line 2 from line 1	3	214,450.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	70,453,553.
5	Net unrealized gains (losses) on investments	5	2,590,798.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-21,973,486.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	51,285,315.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

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

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

Schedule A (Form 990 or 990-EZ) 2012

JSA
2E1210 1.000

1648FG 7377

V 12-7.12

DOHP1151

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES	(IV) NO	(V) YES	(V) NO	(VI) YES	(VI) NO	(VII) AMOUNT OF SUPPORT
L & M HOSPITAL	06-0646704	03	X						0
LMW HEALTHCARE, INC.	46-0543230	03	X						0
L & M HEALTHCARE	22-2553031	03	X						0
TOTAL AMOUNT OF SUPPORT									

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

Schedule of Contributors

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

OMB No. 1545-0047

2012

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HILDEGARD F. LEE 186 JERRY BROWNE RD., #4405 MYSTIC, CT 06355	$ 80,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	ESTATE OF LAURENCE F. SMITH 301 JEFFERSON AVE NEW LONDON, CT 06320	$ 73,568.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE ANTONIO AUTO GROUP 543 COLEMAN ST NEW LONDON, CT 06320	$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	ESTATE OF DOROTHY L. GARRIGAN 2 UNION PLAZA, SUITE 200 NEW LONDON, CT 06320	$ 203,273.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

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

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

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

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

Name of organization LAWRENCE & MEMORIAL CORPORATION | Employer identification number 22-2553028

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

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

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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,947,028.	2,598,925.	2,744,154.	2,633,876.	2,712,489.
b Contributions					
c Net investment earnings, gains, and losses	387,154.	385,153.	-2,909.	237,263.	5,422.
d Grants or scholarships					
e Other expenditures for facilities and programs	26,996.	33,652.	136,438.	121,124.	83,156.
f Administrative expenses	7,105.	3,398.	5,882.	5,861.	879.
g End of year balance	3,300,081.	2,947,028.	2,598,925.	2,744,154.	2,633,876.

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

a Board designated or quasi-endowment ▶ 100.0000 %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

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

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

	Yes	No
(i) unrelated organizations (3a(i))		X
(ii) related organizations (3a(ii))		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? (3b)		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,096,790.		11,096,790.
b Buildings				
c Leasehold improvements				
d Equipment		21,774.	16,910.	4,864.
e Other		1,233,845.	30,846.	1,202,999.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				12,304,653.

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

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

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

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

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

(a) Description	(b) Book value
(1) INVESTMENTS IN SUBSIDIARIES	19,281,447.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	19,281,447.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) GIFT ANNUITY PAYABLE	148,360.
(3) DUE TO L&M HOSPITAL	758,959.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	907,319.

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

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

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

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

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

Part XIII Supplemental Information

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

PT V LINE 4

ENDOWMENT FUNDS PROVIDE UNRESTRICTED FUNDS FOR L & M HOSPITAL.

PT X

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN

48 FOOTNOTE.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		8,324,546.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total.					8,324,546.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					8,324,546.

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

Schedule F (Form 990) 2012

JSA
2E1274 1.000

1648EG 7377

V 12-7.12

DOHP1164

Schedule F (Form 990) 2012

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . ▶

3 Enter total number of other organizations or entities. . . . . ▶

DOHP1165

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DOHP1166

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713)*	☐ Yes	☒ No

Part V **Supplemental Information**
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

PT I LINE 2

N/A

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 AUXILLIARY FUN (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	226,224.	44,785.	0	271,009.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	226,224.	44,785.	0	271,009.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	104,661.	51.	0	104,712.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(104,712.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				166,297.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____
a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No
b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No
b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Schedule J (Form 990) 2012

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	MAUREEN ANDERSON ASSISTANT SECRETARY	(i)	0	0	0	0	0	0	0
		(ii)	241,289.	21,022.	810.	30,038.	20,256.	313,415.	0
2	BRUCE D. CUMMINGS PRESIDENT/CEO	(i)	0	0	0	0	0	0	0
		(ii)	534,064.	86,169.	18,782.	79,826.	15,050.	733,891.	0
3	LUGENE INZANA VP CHIEF FINANCIAL OFFICER	(i)	0	0	0	0	0	0	0
		(ii)	317,189.	36,090.	1,242.	40,827.	20,256.	415,604.	0
4	R. PRESTON LAMBERTON,M. DIRECTOR - AS OF 12/12/2012	(i)	0	0	0	0	0	0	0
		(ii)	208,178.	3,813.	12,385.	9,180.	23,632.	257,188.	0
5	HENRY AMDUR, MD EX-OFFICIO, UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	287,227.	90,876.	14,844.	10,000.	7,419.	410,366.	0
6	DAVID REISFELD, MD EX-OFFICIO UNTIL 12/12/12	(i)	0	0	0	0	0	0	0
		(ii)	301,372.	71,998.	3,240.	10,000.	24,798.	411,408.	0
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

DOHP1173

Schedule J (Form 990) 2012

Part III Supplemental Information

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

PT I LINE 3

THE PRESIDENT/CEO OF LAWRENCE & MEMORIAL CORPORATION RECEIVES NO COMPENSATION FROM THE ORGANIZATION. HE IS AN EMPLOYEE AT LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, AND HIS COMPENSATION IS SET BY THE HOSPITAL. THE HOSPITAL, IN DETERMINING COMPENSATION RELIES UPON A COMPENSATION COMMITTEE; AN INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEYS OR STUDIES, AND APPROVAL BY ITS BOARD OR COMPENSATION COMMITTEE.

PT I LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457 (F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AND AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED ANNUALLY. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. DURING 2012 SECTION 457(F) CONTRIBUTIONS WERE CREDITED AS FOLLOWS TOWARDS THE PLAN:

Part III Supplemental Information

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

BRUCE D. CUMMINGS $69,826

LUGENE INZANA $30,827

MAUREEN ANDERSON $20,038

DOHP1175

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization

LAWRENCE & MEMORIAL CORPORATION

Employer identification number

22-2553028

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	12.	94,493.	MARKET VALUE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(_____)				
26	Other ▶(_____)				
27	Other ▶(_____)				
28	Other ▶(_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

PT I COL B

L & M CORPORATION IS REPORTING THE NUMBER OF CONTRIBUTIONS RECEIVED

DURING THE YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

PT I, LINE 1 & PT III, LINE 1

LAWRENCE AND MEMORIAL CORPORATION UPHOLDS, PROMOTES, AND FURTHERS THE WELFARE, PROGRAMS, AND ACTIVITIES OF LAWRENCE & MEMORIAL HOSPITAL, WESTERLY HOSPITAL AND L&M PHYSICIAN ASSOCIATION. LAWRENCE AND MEMORIAL CORPORATION ALSO PROVIDES OVERALL DIRECTION AND CONTROL TO LAWRENCE AND MEMORIAL FOUNDATION, LAWRENCE & MEMORIAL SYSTEMS, LAWRENCE & MEMORIAL INDEMNITY AND TO L & M HEALTHCARE, INC. ITS PRINCIPAL ACTIVITIES INCLUDE SUPERVISING THE DEVELOPMENT AND INVESTMENT ACTIVITIES OF THESE ENTITIES.

PT VI-A, LINE 1

THE BYLAWS GRANT THE EXECUTIVE COMMITTEE OF THE BOARD (MADE UP OF BOARD OFFICERS) THE RIGHT TO EXCERCISE THE POWER OF THE BOARD IF A TIME-SENSITIVE MATTER EXISTS THAT BE CONTRARY TO THE ORGANIZATION'S INTEREST IF NOT ADDRESSED BEFORE THE NEXT REGULAR MEETING. ALL ACTS OF THE EXECUTIVE COMMITTEE MUST BE RATIFIED BY THE BOARD AT THE NEXT REGULAR BOARD MEETING.

PT VI-A, LINE 2

BOARD MEMBERS R. ALAN HUNTER, LUGENE INZANA AND MAUREEN ANDERSON ARE ALSO MEMBERS OF L&M INDEMNITY.

PT VI-A, LINE 4

THE ORGANIZATION AMENDED ITS BYLAWS EFFECTIVE JULY 29, 2013 TO INCLUDE LMW HEALTHCARE, INC. DOING BUSINESS AS WESTERLY HOSPITAL AS A SUBSIDIARY

ORGANIZATION.

PT VI-A, LINE 6

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

PT VI-A, LINE 7A

THE BOARD MEMBERS ARE ELECTED BY THE CORPORATORS OF L&M CORPORATION.

PT VI-B, LINE 11A

THE TAX RETURN IS PREPARED BY THE ORGANIZATION AND REVIEWED BY EXTERNAL TAX CONSULTANTS. A DRAFT VERSION OF THE RETURN IS PROVIDED TO MANAGEMENT FOR REVIEW. ANY NECESSARY CHANGES ARE MADE PRIOR TO THE FINAL REVIEW AND SIGNING OF THE RETURN, BY THE ORGANIZATION'S INDEPENDENT TAX CONSULTANTS. THE FINAL TAX RETURN IS PROVIDED TO THE BOARD PRIOR TO FILING.

PT VI-B, LINE 12C

L & M CORPORATION DOES NOT HAVE ITS OWN CONFLICT OF INTEREST POLICY. IN PRACTICE , IT COMPLIES WITH THE CORRESPONDING POLICIES OF L & M HOSPITAL. L & M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L & M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

PT VI-B, LINE 15

THE OFFICER'S COMPENSATION AND BENEFITS REPORTED IN PART VII ARE

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

DETERMINED BY L & M HOSPITAL. L & M HOSPITAL'S EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS THE EXECUTIVE COMPENSATION COMMITTEE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

PT VI-C, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

PT VI-C, LINE 19

DOCUMENTS ARE AVAILABLE UPON REQUEST.

PT IX, LINE 11 & PT I LINE 16

FUNDRAISING EXPENSES ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). CONTRIBUTIONS AND FUNDRAISING EXPENSES FOR LMW HEALTHCARE, INC. ARE REPORTED ON THE FORM 990 FOR THE WESTERLY HOSPITAL FOUNDATION.

PT XI, LINE 9

TRANSFER FROM AFFILIATES	($21,837,641)
FUNDRAISING	($135,845)
TOTAL	(21,973,486)

Name of the organization: LAWRENCE & MEMORIAL CORPORATION

Employer identification number: 22-2553028

ATTACHMENT 1

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: LINE OF CREDIT - BOA	
ENDING BALANCE DUE	13,802,758.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	13,802,758.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) LAWRENCE & MEMORIAL HEALTHCARE 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(2) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	3	L&M CORP	X	
(3) LAWRENCE & MEMORIAL FOUNDATION 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SOUTHEASTERN C 20-8006123 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M HOSP	X	
(5) VNA OF SOUTHEASTERN CONNECTICUT 06-0646616 200 BOSTON POST ROAD WATERFORD, CT 06386	HOME HEALTHCA	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	501(C)(3)	11 A-I	L&M CORP	X	
(7) LMW HEALTHCARE, INC. 46-0543230 25 WELLS STREET WESTERLY, RI 02879	HEALTHCARE	RI	501(C)(3)	3	L&M CORP	X	

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

JSA

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1648FG 7377

V 12-7.12

DOHP1182

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL CORPORATION

Employer identification number
22-2553028

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION 050508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 A-I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

JSA

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1648FG 7377

V 12-7.12

DOHP1183

Schedule R (Form 990) 2012

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) Disproportionate allocations? No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
(1) L&M HOMECARE 06-1389272 365 MONTAUK AVENUE NEW LONDON, CT 06320	HOME THERAPY	CT	L&M SYSTEMS	C CORP	387,669.	2,287,715.	100.0000	X	
(2) L&M SYSTEMS, INC. 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	PHYSICIAN PRA	CT	L&M CORP	C CORP	-7,643.	2,247,232.	100.0000	X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CJ	INSURANCE	CJ	L&M CORP	C CORP		15,326,032.	100.0000	X	
(4) CHARITABLE REMAINDER TRUSTS (1)	SUPPORT	CT	L&M HOSP	TRUST				X	
(5)									
(6)									
(7)									

DOHP1184

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

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

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

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

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	L&M HOSPITAL	P	549,237.	CASH
(2)	L&M HOSPITAL	Q	1,021,669.	CASH
(3)	LMW HEALTHCARE, INC.	B	66,728.	CASH
(4)	L&M HOSPITAL	C	24,955,263.	CASH
(5)	L&M HOSPITAL	F	24,029.	CASH
(6)				

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

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

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

DOHP1186

Part VII **Supplemental Information**

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

Westerly Hospital

Form **8453-EO**

Department of the Treasury
Internal Revenue Service

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2013, or tax year beginning 10/01, 2013, and ending 09/30, 20 14

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

OMB No. 1545-1879

2013

Name of exempt organization: LMW HEALTHCARE, INC

Employer identification number: 46-0543230

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a** below and the amount on that line of the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	**Form 990** check here ▶ [X]	b **Total revenue,** if any (Form 990, Part VIII, column (A), line 12) . . .	1b 73144298.
2a	**Form 990-EZ** check here ▶ [ ]	b **Total revenue,** if any (Form 990-EZ, line 9)	2b
3a	**Form 1120-POL** check here ▶ [ ]	b **Total tax** (Form 1120-POL, line 22)	3b
4a	**Form 990-PF** check here ▶ [ ]	b **Tax based on investment income** (Form 990-PF, Part VI, line 5)	4b
5a	**Form 8868** check here ▶ [ ]	b **Balance due** (Form 8868, Part I, line 3c or Part II, line 8c)	5b

Part II Declaration of Officer

6 [ ] I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

[ ] If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund.

Sign Here ▶ Signature of officer | Date | ▶ VICE PRESIDENT/CFO Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only

ERO's signature ▶ [signature]	Date 08/11/2015	Check if also paid preparer [X]	Check if self-employed [ ]	ERO's SSN or PTIN P01390592
Firm's name (or yours if self-employed), address, and ZIP code ▶ PRICEWATERHOUSECOOPERS LLP 125 HIGH STREET BOSTON MA 02110				EIN 13-4008324 Phone no. 617-530-5000

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form **8453-EO** (2013)

JSA
3E1675 1.000
2647GN 7377

V 13-7.15

DOHP1189

Return of Organization Exempt From Income Tax

Form **990**

Department of the Treasury
Internal Revenue Service

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

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01, 2013, and ending 09/30, 20 14

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Terminated
- [ ] Amended return
- [ ] Application pending

C Name of organization: LMW HEALTHCARE, INC

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUCK AVENUE

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: NEW LONDON, CT 06320

D Employer identification number: 46-0543230

E Telephone number: (860) 442-0711

G Gross receipts $: 73,170,765.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUCK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for subordinates? [ ] Yes [X] No

H(b) Are all subordinates included? [ ] Yes [X] No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.WESTERLYHOSPITAL.ORG

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 2012 M State of legal domicile: RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities: LMW HEALTHCARE, INC PROVIDES INPATIENT AND OUTPATIENT MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	11.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8.
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	825.
	6 Total number of volunteers (estimate if necessary)	6	230.
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	0	0
	9 Program service revenue (Part VIII, line 2g)	23,502,178.	71,570,010.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	39,588.	410,682.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,957,919.	1,163,606.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	28,499,685.	73,144,298.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	12,074,983.	34,433,808.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	11,455,753.	34,647,375.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	23,530,736.	69,081,183.
	19 Revenue less expenses. Subtract line 18 from line 12	4,968,949.	4,063,115.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	58,654,973.	56,614,653.
	21 Total liabilities (Part X, line 26)	27,042,579.	15,325,482.
	22 Net assets or fund balances. Subtract line 21 from line 20	31,612,394.	41,289,171.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

▶ SETH VAN ESSENDELFT VICE PRESIDENT/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
ERIN COUTURE	Erin Couture	08/11/2015		P01390592

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶ 13-4008324

Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110 — Phone no. 617-530-5000

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

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

JSA
3E1010 1.000
2647GN 7377 V 13-7.15

DOHP1190

Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	September 30, 2014
Notice date	June 29, 2015
Employer ID number	46-0543230
To contact us	Phone 1-877-829-5500 FAX 801-620-5555
Page 1 of 1	

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LMW HEALTHCARE INC
% CHARLES C WHITE
25 WELLS ST
WESTERLY RI 02891-2922

088789

Important information about your September 30, 2014 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your September 30, 2014 Form 990.

Your new due date is August 15, 2015.

What you need to do

File your September 30, 2014 Form 990 by August 15, 2015. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	September 30, 2014
Notice date	March 23, 2015
Employer ID number	46-0543230
To contact us	Phone 1-877-829-5500 FAX 801-620-5555

058171.542166.407147.18373 1 AT 0.406 370

LMW HEALTHCARE INC
% CHARLES C WHITE
25 WELLS ST
WESTERLY RI 02891-2922

058171

Important information about your September 30, 2014 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your September 30, 2014 Form 990.

Your new due date is May 15, 2015.

What you need to do

File your September 30, 2014 Form 990 by May 15, 2015. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
LMW HEALTHCARE IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL PROVIDING MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS.

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

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

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

4a (Code:) (Expenses $ 53,113,253. including grants of $) (Revenue $ 71,570,010.)
SEE SCHEDULE O

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

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

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

4e Total program service expenses ▶ 53,113,253.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 56		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a 825		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	5a		X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5b		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5c		
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 1a 11			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 8			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶SETH VAN ESSENDELFT 25 WELLS STREET WESTERLY, RI 02891 860-442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEPHEN M. GREENE CHAIRMAN	2.00 4.00	X		X				0	0	0
(2) DEBORAH LAMM VICE CHAIRMAN	2.00 2.00	X		X				0	0	0
(3) BRUCE D. CUMMINGS PRESIDENT	2.00 38.00	X		X				0	586,388.	111,145.
(4) STEVEN RUZZO TREASURER	2.00 0	X		X				0	0	0
(5) ANN M. LAIN SECRETARY	2.00 0	X		X				0	0	0
(6) THOMAS J. LIGUORI DIRECTOR	2.00 0	X						0	0	0
(7) RICHARD SMITH DIRECTOR	2.00 0	X						0	0	0
(8) CORINNE ROSSI DIRECTOR	2.00 0	X						0	0	0
(9) WILLIAM CONLIN, M.D. DIRECTOR	2.00 0	X						11,250.	0	0
(10) ADRIAN K. HAMBURGER, M.D. DIRECTOR	2.00 38.00	X						1,875.	317,905.	22,505.
(11) GEORGE BOURGANOS, M.D. DIRECTOR	2.00 0	X						1,875.	0	0
(12) JIM MOYLAN 2/14 - 7/14 INTERIM VP	2.00 38.00			X				0	0	0
(13) MAUREEN ANDERSON VP AND GENERAL COUNSEL	2.00 38.00				X			0	257,757.	53,166.
(14) CRISTA DURAND VP PLANNING/MARKET UNTIL 7/14	2.00 38.00				X			0	268,409.	54,696.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) DONNA EPPS	2.00									
VP CHIEF HR OFFICER	38.00				X			0	197,572.	22,449.
(16) LUGENE INZANA	2.00									
VP CFO UNTIL 2/14	38.00				X			0	339,689.	64,510.
(17) KIMBERLY KALAJAINEN	2.00									
VP CHIEF INFORMATION OFFICER	38.00				X			0	218,437.	49,105.
(18) CHRISOTPHER LEHRACH, MD	2.00									
PRES L&M MED GROUP AS OF 4/13	38.00				X			0	209,144.	22,653.
(19) DANIEL RISSI, MD	2.00									
VP MEDICAL OFFICER	38.00				X			0	382,737.	66,098.
(20) LAUREN WILLIAMS	2.00									
VP PATIENT CARE SERVICES	38.00				X			0	246,661.	39,652.
1b Sub-total ▶								15,000.	1,430,459.	239,952.
c Total from continuation sheets to Part VII, Section A ▶								0	1,594,240.	264,467.
d Total (add lines 1b and 1c) ▶								15,000.	3,024,699.	504,419.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 9

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f		0			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	900099	70,215,791.	70,215,791.		
	b MEANINGFUL USE	900099	1,354,219.	1,354,219.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		71,570,010.			
	3 Investment income (including dividends, interest, and other similar amounts)		410,682.			410,682.
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross rents	357,154.				
	b Less: rental expenses	26,467.				
	c Rental income or (loss)	330,687.				
	d Net rental income or (loss)		330,687.			330,687.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)		0			
Other Revenue	8a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	Business Code				
	11a PURCHASED SERVICES	900099	521,891.			521,891.
	b CAFETERIA SALES	900099	174,980.			174,980.
	c OTHER	900099	136,048.			136,048.
	d All other revenue					
	e Total. Add lines 11a-11d		832,919.			
	12 Total revenue. See instructions		73,144,298.	71,570,010.		1,574,288.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	20,000.		20,000.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	27,959,559.	20,615,612.	7,343,947.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	421,097.	310,490.	110,607.	
9 Other employee benefits	3,732,918.	2,752,418.	980,500.	
10 Payroll taxes	2,300,234.	1,696,047.	604,187.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	900,213.	663,760.	236,453.	
c Accounting	101,314.		101,314.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	81,708.	60,246.	21,462.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	1,076,897.	868,738.	208,159.	
12 Advertising and promotion	164,864.	121,560.	43,304.	
13 Office expenses	149,344.	110,117.	39,227.	
14 Information technology	1,285,920.	948,156.	337,764.	
15 Royalties	0			
16 Occupancy	0			
17 Travel	9,053.	6,675.	2,378.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	419,698.	309,459.	110,239.	
21 Payments to affiliates	6,522,888.	4,809,565.	1,713,323.	
22 Depreciation, depletion, and amortization	4,347,360.	3,205,469.	1,141,891.	
23 Insurance	1,078,351.	795,108.	283,243.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	5,680,628.	5,680,628.		
b PURCHASED SERVICES	5,440,036.	4,005,886.	1,434,150.	
c DRUGS	2,684,285.	2,684,285.		
d UTILITIES	1,700,734.	1,254,014.	446,720.	
e All other expenses	3,004,082.	2,215,020.	789,062.	
25 **Total functional expenses.** Add lines 1 through 24e	69,081,183.	53,113,253.	15,967,930.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		6,601,810.	1	2,360,681.
	2	Savings and temporary cash investments		0	2	140,576.
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		4,097,039.	4	5,990,550.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		1,642,404.	8	1,812,254.
	9	Prepaid expenses and deferred charges		291,638.	9	58,427.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 36,504,396.			
	b	Less: accumulated depreciation	10b 5,430,921.	31,112,202.	10c	31,073,475.
	11	Investments - publicly traded securities		6,624,154.	11	7,087,069.
	12	Investments - other securities. See Part IV, line 11		4,182,851.	12	4,362,996.
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		3,352,875.	14	2,978,625.
	15	Other assets. See Part IV, line 11		750,000.	15	750,000.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		58,654,973.	16	56,614,653.
Liabilities	17	Accounts payable and accrued expenses		18,202,810.	17	11,996,694.
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		8,839,769.	25	3,328,788.
	26	**Total liabilities.** Add lines 17 through 25		27,042,579.	26	15,325,482.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		21,362,915.	27	30,472,107.
	28	Temporarily restricted net assets		934,255.	28	1,188,220.
	29	Permanently restricted net assets		9,315,224.	29	9,628,844.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		31,612,394.	33	41,289,171.
	34	Total liabilities and net assets/fund balances		58,654,973.	34	56,614,653.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	73,144,298.
2	Total expenses (must equal Part IX, column (A), line 25)	2	69,081,183.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,063,115.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	31,612,394.
5	Net unrealized gains (losses) on investments	5	328,910.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	5,284,752.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	41,289,171.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
LMW HEALTHCARE, INC	46-0543230

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

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

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

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

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

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

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

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

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

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		3,695.
j Total. Add lines 1c through 1i			3,695.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

SCHEDULE C, PART II-B, LINE 1I

THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE HOSPITAL ASSOCIATION OF RHODE ISLAND WHICH MAY ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES.

Part IV Supplemental Information *(continued)*

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LMW HEALTHCARE, INC

Employer identification number

46-0543230

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	6,624,154.				
b Contributions	18,975.	6,524,115.			
c Net investment earnings, gains, and losses	474,133.	122,157.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	30,193.	22,118.			
g End of year balance	7,087,069.	6,624,154.			

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

a Board designated or quasi-endowment ▶ 19.5100 %
b Permanent endowment ▶ 63.7200 %
c Temporarily restricted endowment ▶ 16.7700 %

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

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

	Yes	No
(i) unrelated organizations		X
(ii) related organizations		X

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,090,000.		1,090,000.
b Buildings		17,285,494.	840,280.	16,445,214.
c Leasehold improvements				
d Equipment		17,402,771.	4,410,731.	12,992,040.
e Other		726,131.	179,910.	546,221.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				31,073,475.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) FUNDS HELD IN TRUST	4,362,996.	FMV
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	4,362,996.	

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

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

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

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

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) 3RD PARTY PAYOR SETTLEMENTS	1,858,724.
(3) CAPITAL LEASE OBLIGATIONS	134,675.
(4) ASSET RETIREMENT OBLIGATION	1,335,389.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	3,328,788.

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

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

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

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

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

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUND FUNCTIONS TO SUPPORT AND PROVIDE INCOME FOR THE FURTHERANCE OF THE HEALTH CARE MISSION OF LMW HEALTHCARE.

SCHEDULE D, PART X, LINE 2

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN 48 FOOTNOTE.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LMW HEALTHCARE, INC

Employer identification number

46-0543230

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		421	526,463.	142,789.	383,674.	.56
b Medicaid (from Worksheet 3, column a)		14740	9,581,205.	6,783,433.	2,797,772.	4.05
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		15161	10,107,668.	6,926,222.	3,181,446.	4.61
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	18	2459	290,643.	69,210.	221,433.	.32
f Health professions education (from Worksheet 5)	3	62	124,031.		124,031.	.18
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)	1		55,499.		55,499.	.08
i Cash and in-kind contributions for community benefit (from Worksheet 8)	3	50	5,221.		5,221.	.01
j Total. Other Benefits	25	2571	475,394.	69,210.	406,184.	.59
k Total. Add lines 7d and 7j	25	17732	10,583,062.	6,995,432.	3,587,630.	5.20

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	1		460.		460.	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	1		460.		460.	

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

			Yes	No
Section A. Bad Debt Expense				
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	4,758,600.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.				
Section B. Medicare				
5 Enter total revenue received from Medicare (including DSH and IME)	5	25,295,033.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6	29,265,394.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-3,970,361.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other				
Section C. Collection Practices				
9a Did the organization have a written debt collection policy during the tax year?	9a		X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b		X	

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 LMW HEALTHCARE, INC 25 WELLS STREET WESTERLY RI 02891 HTTP://WESTERLYHOSPITAL.ORG HOS00129	X	X					X			
2										
3										
4										
5										
6										
7										
8										
9										
10										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group LMW HEALTHCARE, INC

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

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

			Yes	No
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9.	1	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[ ] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[X] Other (describe in Section C)			
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4	X	
5	Did the hospital facility make its CHNA report widely available to the public?	5	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[X] Hospital facility's website (list url): HTTP://WESTERLYHOSPITAL.ORG			
b	[ ] Other website (list url):			
c	[X] Available upon request from the hospital facility			
d	[X] Other (describe in Section C)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	[X] Execution of the implementation strategy			
c	[ ] Participation in the development of a community-wide plan			
d	[ ] Participation in the execution of a community-wide plan			
e	[ ] Inclusion of a community benefit section in operational plans			
f	[ ] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	[X] Prioritization of health needs in its community			
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Section C)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy LMW HEALTHCARE, INC

		Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %		
	If "No," explain in Section C the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing *discounted* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %		
	If "No," explain in Section C the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients?	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	[X] Income level		
b	[X] Asset level		
c	[X] Medical indigency		
d	[ ] Insurance status		
e	[X] Uninsured discount		
f	[ ] Medicaid/Medicare		
g	[ ] State regulation		
h	[ ] Residency		
i	[ ] Other (describe in Section C)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	[ ] The policy was posted on the hospital facility's website		
b	[ ] The policy was attached to billing invoices		
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	[X] The policy was posted in the hospital facility's admissions offices		
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility		
f	[X] The policy was available on request		
g	[ ] Other (describe in Section C)		

Billing and Collections

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Section C)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Section C)		

Part V Facility Information *(continued)* LMW HEALTHCARE, INC

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

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

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d ☐ Other (describe in Section C)

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Section C)

21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.		X
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.		X

Part V Facility Information *(continued)*

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

PART V, SECTION B, LINE 1J.

IN ADDITION TO THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) COMPONENTS LISTED, THE LMW CHNA REPORT INCLUDED ANALYSIS OF THE DATA IN TERMS OF STRENGTHS AND OPPORTUNITIES FOR ACTION. THIS ANALYSIS INFORMED THE CREATION OF THE COMMUNITY HEALTH IMPLEMENTATION PLAN.

PART V, SECTION B, LINE 3

UPON COMPLETION OF DATA COLLECTION AND ANALYSIS, THE CHNA COLLABORATIVE CONVENED TO A COMMUNITY HEALTH STRATEGIC PLANNING SESSION IN APRIL 2013. THIS SESSION WAS FACILITATED BY HOLLERAN CONSULTING. THE PURPOSE OF THE STRATEGIC PLANNING SESSION WAS TO SHARE THE RESULTS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, TO DISCUSS AND PRIORITIZE COMMUNITY HEALTH NEEDS, AND TO DEVELOP COMMUNITY HEALTH GOALS AND STRATEGIES TO GUIDE THE LMW HEALTHCARE COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP). THE FOLLOWING ORGANIZATIONS PARTICIPATED IN THE PROCESSES:

KEY INFORMANTS:

- COMMUNITY, FAMILY HEALTH & EQUITY/HEALTH
- RHODE ISLAND HEALTH DEPT OF HEALTH
- CROSS ROADS
- FAMILY RESOURCES COMMUNITY ACTION
- COMMUNITY HHEALTH WORKERS ASSOCIATION
- DORCAS PLACE
- DHS
- RI DEPT. OF HEALTH
- THUNDERMIST

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

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

- WOOD RIVER HEALTH SERVICES

- THE WESTERLY HOSPITAL

- PROVIDENCE CENTER

- CARE NEW ENGLAND

- URBAN LEAGUE OF RI

- WESTERLY PUBLIC SCHOOLS

- EOHHS/DHS

- RI KIDS COUNT

- COASTAL MEDICAL

- RI HEALTH CENTER ASSOCIATION

- SOUTH SHORE MENTAL HEALTTH

- RIAFSA

- YMCA OF GREATER PROVIDENCE

FOCUS GROUP PARTICIPANTS:

- OUTPATIENT ADDICTION MEDICINE & BEHAVIORAL HEALTH
  SOCIAL WORK, ROGER WILLIAMS MEDICAL CENTER

- PROJECT IMPLEMENTATION AND ACUTE CARE SERVICES, THE
  PROVIDENCE CENTER

- THE MIRIAM HOSPITAL

- FELLOWSHIP HEALTH RESOURCES
  LANDMARK MEDICAL CENT

- BUTLER HOSPITAL

- WOMEN & INFANTS HOSPITAL

- VNS HOME HEALTH SERVICES

- THE PROVIDENCE CENTER

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

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

- NEWPORT COUNTY COMMUNITY HEALTH CENTER

- DEPARTMENT OF HEALTH

PRIORITIZATION SESSION PARTICIPANTS:

HARI, CARE NEW ENGLAND, BUTLER HOSPITAL, MEMORIAL HOSPITAL OF RHODE ISLAND, SOUTH COUNTY HOSPITAL, RHODE ISLAND DEPARTMENT OF HEALTH, CHARTERARE HEALTH PARTNERS, ROGER WILLIAMS MEDICAL CENTER, ST JOSEPH HEALTH SERVICES OF RI/CHARTERCARE, ST JOSEPH HEALTH SERVICES OF RI.

PART V, SECTION B, LINE 4

OTHER HOSPITALS PARTICIPATING IN THE CHNA COLLABORATIVE WERE:

BUTLER HOSPITAL, CARE NEW ENGLAND, KENT HOSPITAL, LANDMARK MEDICAL CENTER, MEMORIAL HOSPITAL OF RHODE ISLAND, ROGER WILLIAMS MEDICAL CENTER, ST. JOSEPH HEALTH SERVICES OF RI/CHARTER CARE, SOUTH COUNTY HOSPITAL, THE MIRIAM HOSPITAL, WOMEN & INFANTS HOSPITAL.

PART V, SECTION B, LINE 5D

THE CHNA REPORT WAS RELEASED AT A PRESENTATION OPEN TO THE PUBLIC ON FEBRUARY 3, 2014. IN ATTENDANCE WERE COMMUNITY PARTNERS REPRESENTING OTHER NON-PROFIT ORGANIZATIONS, BUSINESS LEADERS, INDIVIDUALS REPRESENTING THE EDUCATION SECTOR, HOSPITAL STAFF, MEMBERS OF THE PRESS, AND COMMUNITY MEMBERS.

Part V Facility Information *(continued)*

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

PART V, SECTION B, LINE 7

DUE TO RESOURCE CONSTRAINTS, SOME OF THE IDENTIFIED NEEDS THROUGH THE CHNA WILL NOT BE ADDRESSED AS AN INITIAL PRIORITY, SPECIFICALLY BREAST CANCER AND ALCOHOL USE. IN THE EXAMPLE OF ALCOHOL USE, OTHER ORGANIZATIONS ARE TAKING THE LEAD AND LMW HEALTHCARE IS COLLABORATING. A DRIVING PHILOSOPHY OF LMW HEALTHCARE'S COMMUNITY BENEFIT EFFORTS IS TO BUILD ON COMMUNITY RESOURCES, PROGRAMS AND SERVICES AND TO NOT DUPLICATE THEM. AS SUCH, IN EXAMINING EACH OF THE PRIORITIZED COMMUNITY HEALTH NEEDS, EXISTING COMMUNITY ASSETS WERE IDENTIFIED BEFORE CONSIDERING ANY NEW STRATEGIES THAT LMW HEALTHCARE MIGHT INITIATE AND/OR THOSE TO BE CONTINUED. WHERE THERE IS AN EXISTING COMMUNITY-BASED PROGRAM ADDRESSING ANY OF THE PRIORITIZED NEEDS, OR DUE TO RESOURCE LIMITATIONS, LMW HEALTHCARE WILL WORK TO SUPPORT AND BUILD CAPACITY OF THOSE PROGRAMS RATHER THAN TO CREATE SOMETHING NEW.

PART V, SECTION B, LINE 20

SEE EXPLANATION FOR SCHEDULE H, PART I, LINE 3C.

Part V Facility Information *(continued)*

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

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

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

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART I, LINE 3C

IT IS THE PHILOSOPHY AND POLICY OF LMW HEALTHCARE THAT MEDICALLY NECESSARY HEALTH CARE SERVICES SHOULD BE AVAILABLE TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY.

CHARITY CARE APPLIES TO ALL UNINSURED PATIENTS(DEFINED AS EARNING LESS THAN 250% OF THE POVERTY GUIDELINES). CARE WILL BE PROVIDED FREE FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFY THEIR ANNUAL INCOME IS LESS THAN 250% OF THE FEDERAL INCOME POVERTY LEVEL ("FPL"). LIQUID ASSETS MUST NOT EXCEED $50,000 (STOCKS, BONDS, CASH , IRA, CD , ETC.) EXCLUDING PRIMARY RESIDENCE AND PRIMARY MOTOR VEHICLE. BUSINESS ASSETS, RENTAL PROPRTY, SECONDARY RESIDENCE, RECREATIONAL VEHICLES AND OTHER SUCH LUXURY ITEMS WILL BE APPLIED TO THE LIQUID ASSESTS. CARE WILL BE DISCOUNTED ON A SLIDING SCALE FOR SELF PAY PATIENTS WHO HAVE NO THIRD PARTY INSURANCE TO COVER SERVICES WITH AN ANNUAL INCOME THAT IS BETWEEN 250% AND 400% OF THE FPL AND HAVE ASSETS LESS THAN $50,000, IN ACCORDANCE WITH THE FOLLOWING:

251%-300%= COST OF CHARGE

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

301%-350%= 40%

351%-400%= 30%

SCHEDULE H, PART 1, LINE 7

THE AMOUNTS REPORTED ON PART 1, LINE 7 WERE CALCULATED AS DIRECT, SEPARATELY IDENTIFIABLE COSTS INCURRED BY THE HOSPITAL PLUS AN ALLOCATION OF OVERHEAD.

SCHEDULE H, PART II

LMW HEALTHCARE, WITH A MISSION TO "IMPROVE THE HEALTH OF THE REGION," FOLLOWS THE WORLD HEALTH ORGANIZATION DEFINITION OF HEALTH: "A STATE OF COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING AND NOT MERELY THE ABSENCE OF DISEASE OR INFIRMITY." IN ADDITION TO MEETING IDENTIFIED NEEDS IN THE COMMUNITY, LMW HEALTHCARE CONTRIBUTES TO AN OVERALL HEALTHY COMMUNITY AND SUPPORTS THE HOSPITAL'S ROLE AS GOOD CORPORATE CITIZEN. THIS SOCIAL IMPACT IS MEASURED IN TERMS OF COMMUNITY VIBRANCY, AND BREADTH AND DEPTH OF COMMUNITY ACTIVITIES THAT ENHANCE THE QUALITY OF LIFE IN THE REGION. THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES FALL

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INTO THE CATEGORY OF ECONOMIC DEVELOPMENT ACTIVITIES THROUGH THE REGION'S CHAMBERS OF COMMERCE AND BUSINESS ASSOCIATIONS.

SCHEDULE H, PART III, LINE 2

LMW HEALTHCARE USES A COST REPORTING SYSTEM TO DETERMINE THE BAD DEBT EXPENSE. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 IS TAKEN DIRECTLY FROM THE AUDITED FINANCIAL STATEMENTS.

SCHEDULE H, PART III, LINE 8

THE MEDICARE SHORTFALL OF ($3,970,361) REPORTED IN PART III, LINE 7 WAS CALCULATED BASED ON COST REPORTING. THE COSTING METHOD WAS FROM THE MEDICARE COST REPORT'S OWN METHODOLOGY OF ALLOCATING COST BY DEPARTMENT AND DERIVING A RATIO OF COST TO CHARGE. THIS AMOUNT SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE THE RATES PAID BY MEDICARE DO NOT ACCURATELY REFLECT THE COST OF CARE PROVIDED BY LMW HEALTHCARE. LMW HEALTHCARE MUST SUBSIDIZE THE COST OF CARE TO MEDICARE BENEFICIARIES WITH OTHER REVENUES.

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART III, LINE 9B

IN ACCORDANCE WITH ITS WRITTEN CREDIT AND COLLECTION POLICY, LMW HEALTHCARE WILL NOT PURSUE COLLECTION EFFORTS, DIRECTLY OR THROUGH COLLECTION AGENCIES, ON THE PORTION OF A PATIENTS'S BILL FOR WHICH THAT PATIENT HAS ESTABLISHED ELIGIBILITY FOR CHARITY CARE.

SCHEDULE H PART VI, LINE 2

NEEDS ASSESSMENT

IN ADDITION TO THE METHODOLOGY EMPLOYED IN CONDUCTING THE COMMUNITY HEALTH NEEDS ASSESSMENT, LMW HEALTHCARE CARRIES OUT A VARIETY OF OTHER STRATEGIES IN GAUGING THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES. THESE STRATEGIES INCLUDE REVIEW OF DISEASE INCIDENCE AND PREVALENCE RATES FOR THE LOCAL COMMUNITY, STATE, AND NATION WITH RATES COLLECTED FROM PUBLICLY AVAILABLE SOURCES. THIS ANALYSIS INFORMS LMW HEALTHCARE ON THE HEALTH STATUS OF THE COMMUNITY AND IS USED TO FOCUS PROGRAM AND SERVICE DEVELOPMENT ON AREAS OF GREATEST CONCERN.

INFORMATION ON COMMUNITY NEEDS IS ALSO GATHERED THROUGH PARTNERSHIPS WITH

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OTHER COMMUNITY ORGANIZATIONS SUCH AS THE PUBLIC SCHOOLS AND THE WESTERLY PARENT ACADEMY, WOOD RIVER HEALTH SERVICES, THE WARM CENTER, AND OTHER LOCAL NON-PROFITS. PERIODIC REVIEW OF DATA AND UPDATING AS APPROPRIATE IS CONDUCTED.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

IN ACCORDANCE WITH ITS CHARITY CARE POLICY, LMW HEALTHCARE NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE USING SEVERAL METHODS.

1) SIGNAGE INDICATING THE AVAILABILITY OF CHARITY CARE IS POSTED IN ENGLISH AND SPANISH IN PATIENT ACCOUNTS, HEALTH ACCESS MANAGEMENT AND CERTAIN CLINICAL AREAS. SUMMARIES OF THE PROGRAMS WILL ALSO BE AVAILABLE IN THOSE AREAS.

2) PATIENT FINANCIAL ADVISORS WILL ATTEMPT TO VISIT ALL INPATIENTS REGISTERED AS SELF PAY PATIENTS. A SUMMARY EXPLAINING CHARITY CARE WILL BE GIVEN TO THE PATIENT OR GUARANTOR WHEN THIS VISIT OCCURS.

3) PATIENTS WITH NO INSURANCE WILL RECEIVE AN INITIAL LETTER WITHIN ONE

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WEEK OF DISCHARGE INFORMING THEM THEY ARE CONSIDERED "UNINSURED". IT IS THE RESPONSIBILITY OF THE PATIENT TO ADVISE LMW IF THEY BELIEVE THEY QUALIFY AS "UNINSURED" (AT OR UNDER 250% OF THE FPG).

4) A SERIES OF MONTHLY STATEMENTS WILL BE SENT FOLLOWING DISCHARGE. EACH STATEMENT WILL REMIND THE PATIENT OF THE AVAILABILITY OF CHARITY CARE.

SCHEDULE H, PART VI LINE 4

COMMUNITY INFORMATION

THE COMMUNITIES THAT COMPRISE THE SERVICE AREA OF LMW HEALTHCARE INCLUDE EIGHT TOWNS IN SOUTHWESTERN RHODE ISLAND/WASHINGTON COUNTY: ASHAWAY, BLOCK ISLAND, BRADFORD, CHARLESTOWN, HOPE VALLEY, HOPKINTON, WESTERLY AND WOOD RIVER JUNCTION, WITH A TOTAL POPULATION OF APPROXIMATELY 40,785. THESE COMMUNITIES ARE LARGELY RURAL WITH THE IMMEDIATE WESTERLY AREA BEING SUBURBAN.

IN WASHINGTON COUNTY, SERVICES AND PUBLIC TRANSPORTATION FALL SHORT OF MEETING DEMAND, CREATING A BARRIER TO ACCESS. ADDITIONALLY, THERE ARE WIDE INCOME DISPARITIES WITH A MEDIAN HOUSEHOLD INCOME OF $73,748 (CONSIDERABLY HIGHER THAN THE STATE MEDIAN INCOME) AND YET 7% OF CHILDREN

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

LIVING IN POVERTY. POVERTY EXISTS IN POCKETS THROUGHOUT THE REGION BUT IS LARGELY INVISIBLE.

ALTHOUGH IT IS ANTICIPATED THAT THERE WILL BE A SLIGHT DECLINE IN OVERALL POPULATION IN THE NEXT FIVE YEARS, THE FASTEST GROWING AGE GROUP IN THE PRIMARY SERVICE AREA WILL BE 65+.

ACCORDING TO THE 2010 CENSUS, THE WASHINGTON COUNTY POPULATION IS PREDOMINANTLY WHITE (90.5%) WITH HISPANICS REPRESENTING 3.2%, AFRICAN AMERICANS 1%, ASIAN/PACIFICS 3% AND THOSE WHO INDICATE "TWO OR MORE RACES" 2.2%. STATEWIDE, POPULATION GROWTH IN RECENT YEARS HAS BEEN LARGELY ATTRIBUTABLE TO INCREASING NUMBERS OF PEOPLE OF COLOR AND ALTHOUGH OVERALL THE PERCENTAGES OF PEOPLE OF COLOR IN THE WESTERLY AREA REMAIN SMALL, IT FOLLOWS THE STATE PATTERN. INCREASING NUMBERS IN COMMUNITIES OF COLOR ALSO BRING DISPARITIES IN HOUSING, INCOME, EDUCATIONAL ATTAINMENT, HEALTH, AND OPPORTUNITY.

WASHINGTON COUNTY CONTINUES TO HAVE AN UNEMPLOYMENT RATE (7.1%) THAT IS ONE OF THE HIGHEST IN THE NATION WITH THE GROWTH, ALBEIT SLOW, OCCURRING IN LOWER WAGE INDUSTRIES. THE LOCAL ECONOMY IS HEAVILY DEPENDENT UPON HEALTHCARE, RETAIL, EDUCATION, LEISURE/HOSPITALITY/TOURISM, AND

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

MANUFACTURING.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

LMW HEALTHCARE'S COMMUNITY BENEFIT PROGRAMS AND SERVICES FORWARD THE ORGANIZATIONAL MISSION "TO IMPROVE THE HEALTH OF THE REGION" AND ALIGN WITH THE FOLLOWING PRINCIPLES:

1. EMPHASIS ON PROGRAMS TO MEET A SIGNIFICANT UNMET HEALTH NEED INCLUDING EFFORTS TO IDENTIFY AND INCLUDE VULNERABLE POPULATIONS OR THOSE MOST AT-RISK AS DETERMINED BY RISK FACTORS WHICH PREDISPOSE THOSE POPULATIONS TOWARD A HIGHER INCIDENCE OF DISEASE AND/OR BARRIERS TO OBTAINING APPROPRIATE HEALTHCARE.

2. EMPHASIS ON PRIMARY PREVENTION AND INCLUDING AT LEAST ONE OF THREE PRIMARY PREVENTION STRATEGIES: HEALTH PROMOTION, DISEASE PREVENTION, AND HEALTH PROTECTION. HEALTH PROMOTION ENTAILS ENCOURAGING HEALTHY LIFESTYLES; DISEASE PREVENTION FOCUSES ON INDIVIDUALS IDENTIFIED AS AT-RISK FOR HEALTH PROBLEMS; HEALTH PROTECTION ACTIVITIES INFLUENCE THE ENVIRONMENT TO SUPPORT HEALTHY BEHAVIORS.

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

3. PROGRAMS SHOULD DEVELOP EVIDENCE-BASED LINKS BETWEEN CLINICAL SERVICES AND HEALTH IMPROVEMENT ACTIVITIES DELIVERED BOTH INSIDE AND OUTSIDE THE HOSPITAL.

4. PROGRAMS SHOULD FOCUS ON TARGETING CHARITABLE RESOURCES THAT MOBILIZE AND BUILD CAPACITY WITHIN EXISTING COMMUNITY ASSETS WHILE MINIMIZING DUPLICATION OF EFFORT.

5. PROGRAMS SHOULD EMPHASIS COLLABORATION WITH COMMUNITY STAKEHOLDERS.

COMMUNITY INVOLVEMENT IN GOVERNANCE AND ADVISORY GROUPS

COMMUNITY ENGAGEMENT IN THE PLANNING, IMPLEMENTATION AND EVALUATION OF LMW HEALTHCARE'S INITIATIVES IS OF UTMOST IMPORTANCE. THE BOARD OF DIRECTORS IS MADE UP OF COMMUNITY LEADERS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE. THEY ARE INVOLVED IN THE STRATEGIC PLANNING, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP AMONG OTHER RESPONSIBILITIES. OUR CORPORATORS ARE OUR COMMUNITY-LIAISONS AND REPRESENT ALL SECTORS OF OUR COMMUNITIES PROVIDING INPUT AND FEEDBACK REGULARLY. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PHYSICIANS IN THE COMMUNITY.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM

THE ENTITIES OF L+M HEALTHCARE INCLUDE L+M HOSPITAL, THE L+M MEDICAL GROUP (L+MMG, PHYSICIAN PRACTICES), THE VISITING NURSE ASSOCIATION OF SOUTHEASTERN CT (VNASC), AND LMW HEALTHCARE (RHODE ISLAND) EACH OF WHICH HAS A ROLE IN PROMOTING THE HEALTH OF OUR COMMUNITIES. THE LMW AND L+M HOSPITALS' ROLES ARE: IMPLEMENTING COMMUNITY HEALTH IMPROVEMENT ACTIVITIES, PROVIDING OPPORTUNITIES FOR HEALTH PROFESSIONS STUDENTS, ENSURING ACCESS TO CARE, PROMOTING PRIMARY PREVENTIVE CARE, PROVIDING SUBSIDIZED HEALTH SERVICES AND SERVING AS A SAFETY NET PROVIDER. VNASC CARES FOR EVERYONE FROM THE ELDERLY WHO WISH TO REMAIN IN THEIR HOMES FOR AS LONG AS THEY CAN AND PATIENTS RECOVERING FROM SURGERY OR ILLNESS, TO NEW MOTHERS, SCHOOLCHILDREN, AND THE HOMELESS USING THE MOST CURRENT MEDICAL ADVANCES AND TECHNOLOGIES IN HOME HEALTHCARE, AND STRENGTHEN COMMUNITY RESOURCES FOR EVERYONE. L+MMG, THROUGH ITS PATIENT-CENTERED MEDICAL HOME PRIMARY CARE AND SPECIALTY PRACTICES PROVIDES DIAGNOSTIC,

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THERAPEUTIC AND PREVENTIVE HEALTH CARE THROUGH PHYSICIANS OF FAMILY PRACTICE, INTERNAL MEDICINE, PEDIATRICS, DERMATOLOGY, ENDOCRINOLOGY, GENERAL SURGERY, ORTHOPEDIC SURGERY, NEUROSURGERY, BREAST AND RECONSTRUCTIVE SURGERY, NEUROLOGY, REHABILITATION MEDICINE, OBSTETRICS, GYNECOLOGY, CARDIOLOGY AND INTERVENTIONAL PAIN MANAGEMENT IN MULTIPLE LOCATIONS THROUGHOUT SOUTHEASTERN CT AND SOUTHWESTERN RI.

SCHEDULE H, PART VI, LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT:

LMW HEALTHCARE FILES ITS COMMUNITY BENEFIT REPORT IN RHODE ISLAND ONLY.

THE L+M HEALTHCARE AFFILIATED ORGANIZATION, L+M HOSPITAL, FILES REPORTS IN CONNECTICUT.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

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

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

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	BRUCE D. CUMMINGS PRESIDENT	(i)	0	0	0	0	0	0	0
		(ii)	567,106.	0	19,282.	90,112.	21,033.	697,533.	0
2	ADRIAN K. HAMBURGER, M. DIRECTOR	(i)	1,875.	0	0	0	0	1,875.	
		(ii)	171,836.	145,913.	156.	10,000.	12,505.	340,410.	0
3	MAUREEN ANDERSON VP AND GENERAL COUNSEL	(i)	0	0	0	0	0	0	0
		(ii)	256,947.	0	810.	29,561.	23,605.	310,923.	
4	CRISTA DURAND VP PLANNING/MARKET UNTIL 7/14	(i)	0	0	0				
		(ii)	267,869.	0	540.	31,875.	22,821.	323,105.	
5	DONNA EPPS VP CHIEF HR OFFICER	(i)	0	0	0				
		(ii)	188,474.	0	9,098.	22,449.	0	220,021.	
6	LUGENE INZANA VP CFO UNTIL 2/14	(i)	0	0	0	0	0	0	0
		(ii)	338,447.	0	1,242.	39,749.	24,761.	404,199.	0
7	KIMBERLY KALAJAINEN VP CHIEF INFORMATION OFFICER	(i)	0	0	0	0	0	0	0
		(ii)	214,293.	0	4,144.	25,481.	23,624.	267,542.	
8	CHRISOTPHER LEHRACH, MD PRES L&M MED GROUP AS OF 4/13	(i)	0	0	0				
		(ii)	199,958.	0	9,186.	10,000.	12,653.	231,797.	
9	DANIEL RISSI, MD VP MEDICAL OFFICER	(i)	0	0	0	0	0	0	0
		(ii)	379,173.	0	3,564.	45,065.	21,033.	448,835.	
10	LAUREN WILLIAMS VP PATIENT CARE SERVICES	(i)	0	0	0	0	0	0	0
		(ii)	244,339.	0	2,322.	28,607.	11,045.	286,313.	0
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

Part III Supplemental Information

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

FORM 990, SCHEDULE J, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457(F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR L&M HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AND AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED ANNUALLY. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY L&M HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. DURING 2013 SECTION 457(F) CONTRIBUTIONS WERE CREDITED AS FOLLOWS TOWARDS THE PLAN:

BRUCE D. CUMMINGS $80,112

DANIEL RISSI $35,065

LUGENE INZANA $29,749

CRISTA DURAND $21,875

LAUREN WILLIAMS $18,680

KIMBERLY KALAJAINEN $15,481

DONNA EPPS $12,449

MAUREEN ANDERSON $19,561

DOHP1241

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

FORM 990, PAGE 1, GENERAL INFORMATION

ON JUNE 1, 2013, LAWRENCE AND MEMORIAL CORPORATION COMPLETED THE ACQUISITION OF CERTAIN ASSETS AND LIABILITIES OF WESTERLY HOSPITAL, THROUGH ITS SUBSIDIARY, LMW HEALTHCARE, INC, WHICH COMMENCED OPERATIONS AT THAT TIME.

FORM 990, PART III, LINE 4

LMW HEALTHCARE, INC PROVIDES QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF LMW HEALTHCARE, WE RECOGNIZE THAT NOT ALL PERSONS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES: AND, FURTHER WE BELIEVE THAT A PART OF OUR MISSION IS TO CARE FOR THE MEDICALLY UNDER-SERVED IN OUR COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION. IN KEEPING WITH OUR HOSPITAL'S MISSION OF "PROVIDING MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS, WE PROVIDE:

-FREE CARE AND/ OR SUBSIDIZED CARE

-CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS BELOW COST.

-A RANGE OF HEALTH CARE ACTIVITIES, PROGRAMS AND SERVICES TO SUPPORT OUR COMMUNITY.

DURING THE YEAR ENDED SEPTEMBER 30, 2014 LMW HEALTHCARE SERVED 2,939 HOSPITALIZED PATIENTS AND 21,417 PATIENTS THROUGH OUR EMERGENCY ROOM. IN

Name of the organization: LMW HEALTHCARE, INC

Employer identification number: 46-0543230

ADDITION WE PERFORMED 359,641 LAB TESTS AND 41,681 IMAGING PROCEDURES ON AN OUTPATIENT BASIS.

FORM 990, PART VI, LINE 6

L&M CORPORATION IS THE SOLE MEMBER OF LMW HEALTHCARE, INC.

FORM 990, PART VI, LINE 7A

L&M CORPORATION, AS SOLE MEMBER OF LMW HEALTHCARE, INC., SHALL ELECT THE BOARD OF DIRECTORS.

FORM 990, PART VI, LINE 11B

WORKING WITH A PAID PREPARER, A FORM 990 IS PREPARED. LMW HEALTHCARE'S FORM IS THEN REVIEWED BY THE HOSPITAL'S INTERNAL MANAGEMENT. THE COMPLETED FORM IS PROVIDED TO ALL MEMBERS OF THE BOARD OF DIRECTORS PRIOR TO THE FORM BEING FILED WITH THE IRS.

FORM 990, PART VI, LINE 12C

LMW HEALTHCARE REQUIRES THAT ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY LMW'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

THE OFFICERS' COMPENSATION AND BENEFITS REPORTED IN PART VII ARE DETERMINED BY L&M HOSPITAL. L&M HOSPITAL'S EXECUTIVE COMPENSATION

Name of the organization: LMW HEALTHCARE, INC

Employer identification number: 46-0543230

COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGEMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS, THE EXECUTIVE COMPENSATION COMMITTEE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

FORM 990, PART VI, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9

INHERENT CONTRIBUTION RECEIVED FROM

PURCHASE OF WESTERLY HOSPITAL ASSETS $5,284,752

ATTACHMENT 1

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
IPC HOSPITALISTS OF NE 15 SALT CREEK LANE, SUITE 444 HINSDALE, IL 60521	MEDICAL SERVICES	352,599.
QUEST DIAGNOSTICS 40 ACCORD PARK DRIVE NORWELL, MA 02061	LAB SERVICES	318,821.
HEALTHCARE PROVIDER SERVICES D/B/A RI BL PO BOX 9399 PROVIDENCE, RI 02940	LAB SERVICES	226,954.
EMP OF WASHINGTON COUNTY 4535 DRESSLER ROAD NW CANTON, OH 44718	MEDICAL SERVICES	215,604.

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

ATTACHMENT 1 (CONT'D)

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
HOSPITAL ASSOC OF RI 100 MIDWAY ROAD, SUITE 21 CRANSTON, RI 02920	PROFESSIONAL SERVICE	196,580.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) LAWRENCE & MEMORIAL CORPORATION 22-2553028 365 MMONTAUK AVENUE NEW LONDON, CT 06320	SUPPORT	CT	501(C)(3)	11 TYPE I	N/A		X
(2) LAWRENCE & MEMORIAL FOUNDATION, INC 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(3) L&M HEALTHCARE, INC 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SE CT 20-8006123 404 THAMES STREET GROTON, CT 06340	PHYS PRACTICE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(5) VISITING NURSE ASSOCIATE OF SE CT 06-0646616 403 N FRONTAGE ROAD WATERFORD, CT 06385	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION INC 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	11 TYPE I	L&M CORP	X	
(7) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	3	L&M CORP	X	

DOHP1246

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

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

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LMW HEALTHCARE, INC

Employer identification number

46-0543230

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION, INC 05-0508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 TYPE I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

DOHP1247

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M SYSTEMS, INC 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	N/A	C CORP				X	
(2) L&M HOMECARE SERVICES, INC 365 MONTAUK AVENUE NEW LONDON, CT 06320	THERAPY	CT	N/A	C CORP				X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CAYMAN ISLANDS, CJ	INSURANCE	CJ	N/A	C CORP				X	
(4)									
(5)									
(6)									
(7)									

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

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

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

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

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	THE WESTERLY HOSPITAL FOUNDATION	P	252,450.	EXPENSES PAID
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

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

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Part VII **Supplemental Information**

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

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2014 and 2013

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2014 and 2013

	Page(s)
Report of Independent Auditors	1–2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–26
Consolidating Supplemental Information	
Consolidating Balance Sheets	27–30
Consolidating Statements of Operations	31–32

Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $20,659,633 and $18,372,801 as of September 30, 2014 and September 30, 2013, respectively, and total revenues of $16,156,841 and $14,990,091 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2014 and September 30, 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the Unites States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations.

PricewaterhouseCoopers LLP

January 23, 2015

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 16,480,529	$ 11,532,247
Investments	184,426,039	181,339,986
Patient accounts receivable, net of allowance for doubtful accounts of $10,334,227 and $6,158,515, respectively	47,482,954	44,410,454
Other receivables	5,792,415	5,321,417
Inventories	8,393,007	7,501,154
Prepaid expenses and other current assets	3,748,725	3,557,507
Debt service fund	1,304,562	1,306,255
Total current assets	267,628,231	254,969,020
Assets limited as to use		
Cash	182,862	182,366
Construction fund	561,676	9,541,685
Investments held in trust	925,227	985,034
Endowment investments	36,641,428	34,155,796
Funds held in trust by others	11,348,610	10,956,429
Contributions receivable	3,520,787	2,702,993
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	2,247,255
Total assets limited as to use	53,180,590	60,771,558
Intangible assets, net	2,978,625	3,352,875
Other receivables	2,580,786	2,547,462
Deferred financing costs and other assets, net	2,315,752	1,776,176
Property, plant and equipment, net	206,850,299	208,182,039
	$ 535,534,283	$ 531,599,130
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 37,529,850	$ 42,611,470
Accrued vacation and sick pay	14,223,728	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	10,671,516	10,101,654
Due to third party payors	7,257,949	5,870,981
Other current liabilities	582,553	123,017
Current portion of long-term debt	5,476,980	9,347,876
Total current liabilities	75,742,576	80,635,705
Accrued pension and other postretirement benefits	43,216,010	42,309,345
Other liabilities	25,610,890	21,676,677
Long-term debt less current portion	108,587,802	101,001,797
Total liabilities	253,157,278	245,623,524
Net assets		
Unrestricted	241,902,500	246,531,146
Temporarily restricted	24,770,687	24,154,982
Permanently restricted	15,703,818	15,289,478
Total net assets	282,377,005	285,975,606
	$ 535,534,283	$ 531,599,130

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Operations
September 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 453,529,100	$ 372,745,739
Provision for bad debt	(20,298,386)	(14,555,970)
Net revenue less provision for bad debt	433,230,714	358,189,769
Other operating revenues	20,795,287	21,448,860
Net assets released from restriction used for operations	876,203	748,784
Total unrestricted revenues, gains and other support	454,902,204	380,387,413
Expenses		
Salaries and wages	213,467,507	193,780,844
Employee benefits	59,185,837	49,062,244
Supplies	71,998,110	49,529,083
Purchased services	54,475,011	32,278,640
Other	43,427,170	37,265,822
Interest	3,554,919	2,865,011
Depreciation and amortization	27,479,122	23,023,433
Total expenses	473,587,676	387,805,077
Loss from operations	(18,685,472)	(7,417,664)
Nonoperating gains		
Unrestricted investment income	180,488	122,109
Income from investments	9,832,164	7,752,127
Inherent contribution received from purchase of Westerly Hospital	5,284,752	1,796,782
Total nonoperating gains	15,297,404	9,671,018
(Deficit)/excess of revenues over expenses	(3,388,068)	2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	$ (4,628,646)	$ 20,397,805

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
September 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ (3,388,068)	$ 2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	(4,628,646)	20,397,805
Beginning of year unrestricted net assets	246,531,146	226,133,341
End of year unrestricted net assets	$ 241,902,500	$ 246,531,146
Temporarily restricted net assets		
Income from investments	$ 677,343	$ 668,022
Net assets released from restrictions	(1,882,704)	(916,535)
Inherent contribution received from purchase of Westerly Hospital	-	871,209
Contributions received	421,640	506,462
Change in value of funds held in trust by others	111,315	239,710
Net realized and unrealized gains on investments	1,288,111	1,701,848
Increase in temporarily restricted net assets	615,705	3,070,716
Temporarily restricted net assets		
Beginning of year	24,154,982	21,084,266
End of year	$ 24,770,687	$ 24,154,982
Permanently restricted net assets		
Income from investments	$ 20,569	$ 13,823
Inherent contribution received from purchase of Westerly Hospital	-	9,343,478
Contributions received	80,074	22,888
Change in value of funds held in trust by others	280,866	17,482
Net realized and unrealized gains on investments	32,831	-
Increase in permanently restricted net assets	414,340	9,397,671
Permanently restricted net assets		
Beginning of year	15,289,478	5,891,807
End of year	15,703,818	15,289,478
(Decrease)/increase in net assets	$ (3,598,601)	$ 32,866,192

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ (3,598,601)	$ 32,866,192
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	27,479,122	23,023,433
Net unrealized and realized gains on investments	(2,963,155)	(13,495,284)
Inherent contribution received from purchase of Westerly Hospital	(4,940,302)	(12,011,469)
Provision for bad debts	20,298,386	14,555,970
Increase in funds held in trust by others	(392,181)	(257,193)
Increase in contributions receivable	(817,794)	(794,898)
Restricted contributions	(1,164,969)	(1,174,484)
Changes in other operating accounts		
Patient accounts receivable, net	(20,481,592)	(20,317,347)
Other receivables, net	(504,322)	(970,777)
Inventories	(891,853)	(1,447,315)
Prepaid expenses and other current assets	(191,218)	(137,568)
Deferred financing costs and other assets	(539,576)	81,328
Accounts payable	(3,713,678)	(2,523,188)
Accrued vacation and sick pay	1,643,021	(1,558,312)
Salaries, wages, payroll taxes and amounts withheld from employees	569,862	3,652,618
Due to third party payors	1,386,968	(1,632,875)
Pension, postretirement and other liabilities	5,674,664	(9,245,208)
Net cash provided by operating activities	16,872,782	8,613,623
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(25,715,324)	(50,503,163)
Purchases of investments	(70,459,536)	(78,938,843)
Sales of investments	77,121,334	107,257,276
Purchase of Westerly Hospital	-	(14,535,558)
Decrease in debt service fund	1,693	855
Increase/(decrease) in funds held in escrow	2,247,255	(130)
Net cash used in investing activities	(16,804,578)	(36,719,563)
Cash flows from financing activities		
Restricted contributions	1,164,969	1,174,484
Principal payments of long term debt	(28,364,994)	(2,938,881)
Proceeds of long term debt	32,080,103	25,446,569
Net cash provided by financing activities	4,880,078	23,682,172
Net decrease in cash and cash equivalents	4,948,282	(4,423,768)
Cash and cash equivalents		
Beginning of year	11,532,247	15,956,015
End of year	$ 16,480,529	$ 11,532,247
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 1,673,118	$ 2,105,176
Contributed securities	$ 1,164,969	$ 1,174,484

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc. (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, the Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

As part of the purchase agreement the Corporation agreed to fund $30 million in capital costs for Westerly Hospital over five years after the closing, and agreed to provide up to $6.5 million of working capital for Westerly Hospital over the first two years after the closing.

The fair value of assets and liabilities acquired under this transaction as of June 1, 2013 are as follows:

	2013
Cash	$ 1,563,200
Patient accounts receivable	4,658,183
Inventories	1,550,130
Pledges	750,000
Prepaid expenses	325,650
Investments	6,870,933
Assets held in trust	4,247,816
Intangible assets	3,690,000
Property, plant & equipment	30,850,000
Total assets	54,505,912
Accrued compensation	2,488,190
Accounts payable and accrued expenses	15,052,105
Due to third parties	1,856,951
Asset retirement obligation	1,425,678
Debt	5,572,761
Total liabilities	26,395,685
Net assets acquired	$ 28,110,227

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets in 2013. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation was preliminary and has been adjusted as additional information was obtained in 2014. An additional $5.3 million in inherent contribution was recorded in 2014, principally due to $3.1 million better experience on accounts receivable and $1.8 million in better experience on accounts payable.

Intangible assets acquired in conjunction with the Westerly acquisition include:

	Fair value as of June 1, 2013	Amortization Period (in years)	
Patient relationships	$ 1,530,000	10.0	
Medical records	1,350,000	10.0	
Trademark	810,000	8.0	
	$ 3,690,000	9.5	(weighted average)

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2014 or 2013.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Labor action update
The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. A contract was reached and ratified and the workforce had a three year contract that was signed in February 2014. The Hospital monitored the negative impact of the strike and lockout on both revenues and expenses. The financial negative impact included in these financials is approximately $14,200,000. This consisted of a reduction in net revenue of approximately $1,900,000 and $12,300,000 of replacement workers, security and reduced salary costs during the strike and lock out period.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 23, 2015, which is the date the financial statements were issued.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2014	2013
Gross charges from services to patients	$ 1,078,626,933	$ 837,486,603
Less: Charity care	6,782,933	7,772,037
Charges from services to patients, net of charity care	1,071,844,000	829,714,766
Deductions		
Allowances	615,856,880	455,921,391
State of Connecticut uncompensated care system	2,458,020	1,047,636
Total deductions	618,314,900	456,969,027
Net revenues from services to patients	$ 453,529,100	$ 372,745,739

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. . In 2014, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements decreased the Hospital's revenues by approximately $1,584,575in 2014 and increased the Hospital's revenue by approximately$1,126,576 in 2013.

During 2014 and 2013, approximately 35% and 33%, respectively, of net patient service revenue was received under the Medicare program, and 11% and 12%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines.

3. Investments

Investments included in current assets consist of the following:

	2014	2013
Other investments		
Cash and cash equivalents	6,293,794	3,618,554
Bonds	40,097,819	38,890,479
Mutual funds	72,596,528	79,030,543
Hedge funds	57,360,354	54,766,338
Private equities	4,535,516	1,884,631
Marketable equities	3,542,028	3,149,441
Total other investments	184,426,039	181,339,986
Funds held in trust by others		
Investments held in trust by others	11,348,610	10,956,429
Total funds held in trust by others	11,348,610	10,956,429
Endowment investments		
Cash and cash equivalents	$ 4,307,512	$ 3,785,088
Bonds	5,061,901	4,823,170
Mutual funds	14,191,010	13,492,698
Hedge funds	6,263,387	5,961,109
Private equities	209,627	112,204
Marketable equities	6,607,991	5,981,527
Total endowment investments	36,641,428	34,155,796
Total investments at fair value	$ 232,416,077	$ 226,452,211

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	6,293,794	-	-	6,293,794
Bonds	33,184,269	6,913,550	-	40,097,819
Mutual funds	72,596,528	-	-	72,596,528
Hedge funds	-	-	57,360,354	57,360,354
Private equities	-	-	4,535,516	4,535,516
Marketable equities	3,542,028	-	-	3,542,028
Total other investments	115,616,619	6,913,550	61,895,870	184,426,039
Funds held in trust by others				
Investments held in trust by others	-	-	11,348,610	11,348,610
Total held in trust by others	-	-	11,348,610	11,348,610
Endowment investments				
Cash and cash equivalents	$ 4,307,512	$ -	$ -	$ 4,307,512
Bonds	3,300,408	1,449,067	312,427	5,061,902
Mutual funds	12,613,287	-	1,577,722	14,191,009
Hedge funds	-	-	6,263,387	6,263,387
Private equities	-	-	209,627	209,627
Marketable equities	6,607,991	-	-	6,607,991
Total endowment investments	26,829,198	1,449,067	8,363,163	36,641,428
Total investments at fair value	$ 142,445,817	$ 8,362,617	$ 81,607,643	$ 232,416,077

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	3,618,554	-	-	3,618,554
Bonds	32,082,552	6,807,927	-	38,890,479
Mutual funds	79,030,543	-	-	79,030,543
Hedge funds	-	-	54,766,338	54,766,338
Private equities	-	-	1,884,631	1,884,631
Marketable equities	3,149,441	-	-	3,149,441
Total other investments	117,881,090	6,807,927	56,650,969	181,339,986
Funds held in trust by others				
Investments held in trust by others	-	-	10,956,429	10,956,429
Total held in trust by others	-	-	10,956,429	10,956,429
Endowment investments				
Cash and cash equivalents	$ 3,785,088	$ -	$ -	$ 3,785,088
Bonds	3,185,997	1,425,678	211,495	4,823,170
Mutual funds	12,044,760	-	1,447,938	13,492,698
Hedge funds	-	-	5,961,109	5,961,109
Private equities	-	-	112,204	112,204
Marketable equities	5,981,527	-	-	5,981,527
Total endowment investments	24,997,372	1,425,678	7,732,746	34,155,796
Total investments at fair value	$ 142,878,462	$ 8,233,605	$ 75,340,144	$ 226,452,211

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

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

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2013	Investment Income	Realized Gains/(losses)	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2014
Investment pool								
Hedge funds	$ 62,386,860	$ 624,830	$ 270,888	$ 2,319,323	$ (158,389)	$ 381,566	$ (268,029)	$ 65,556,899
Private equities	1,966,835	-	387,382	311,827	(86,266)	2,169,982	(76,416)	4,703,144
Funds held in trust	10,956,429	141,409	(38,855)	344,380	(51,515)	-	(3,258)	11,348,610
Total	$ 75,340,144	$ 766,059	$ 619,415	$ 2,974,330	$ (296,170)	$ 2,551,568	$ (347,703)	$ 81,607,643

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 56,124,318	$ 354,977	$ 1,118,631	$ 5,509,944	$ (131,712)	$ 1,037,756	$ (1,627,061)	$ 62,386,860
Private equities	487,257	-	67,055	122,281	(63,990)	1,366,832	(13,000)	1,966,835
Funds held in trust	6,451,420	-	-	322,158	(64,985)	4,247,816	-	10,956,429
Total	$ 63,062,993	$ 354,977	$ 1,185,686	$ 5,954,383	$ (260,287)	$ 6,652,403	$ (1,640,061)	$ 75,340,144

There were no significant transfers of assets between levels for the year ended September 30, 2014.

A summary of the endowment investment return is presented below:

	2014	2013
Investment income	$ 752,014	$ 649,876
Realized and unrealized gains	1,714,027	2,225,435
Management fees and other costs	(55,806)	(47,805)
Total return on endowment investments	$ 2,410,235	$ 2,827,506

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2014.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 15,362,932	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	19,853,964	2	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	25,350,100	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	5,146,893	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	4,745,144	6	N/A		Illiquid long term 5 years	None	None	None
		$ 70,359,033							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.

- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861
Addition of Westerly Hospital Endowment Net Assets	16,975	-	-	16,975
Investment return				
Investment income	304,778	170,106	20,589	495,453
Net realized and unrealized gain	715,724	1,288,111	32,832	2,036,667
Contributions	183,147	-	80,073	263,220
Total investment return	1,203,649	1,458,217	133,474	2,795,340
Income distribution	-	(139,360)	-	(139,360)
Endowment net assets at end of year	$ 10,480,208	$ 17,497,079	$ 7,382,529	$ 35,359,816

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043
Addition of Westerly Hospital Endowment Net Assets	1,714,560	810,769	4,345,662	6,870,991
Investment return				
Investment income	287,500	161,761	(748)	448,513
Net realized and unrealized gain	451,980	1,701,848	14,570	2,168,398
Contributions	126,620	-	22,888	149,508
Total investment return	866,100	1,863,609	36,710	2,766,419
Income distribution	-	(129,592)	-	(129,592)
Endowment net assets at end of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2014	2013
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 17,497,079	$ 16,178,222
Total endowment funds classified as temporarily restricted net assets	$ 17,497,079	$ 16,178,222
Permanently restricted net assets		
Corpus of permanently restricted contributions for which income is to be used for purchase of equipment and healthcare services	$ 7,382,529	$ 7,249,055
Total endowment funds classified as permanently restricted net assets	$ 7,382,529	$ 7,249,055

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2014 and 2013.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

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

	2014	2013
Temporarily restricted net assets		
Funds held in trust by others	$ 3,799,127	$ 3,687,812
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	16,369,376	15,304,434
Specific purpose reserves	7,321,842	5,412,960
	$ 27,510,711	$ 24,425,572

Permanently restricted net assets at September 30, 2014 and 2013 are restricted to:

	2014	2013
Permanently restricted net assets		
Funds held in trust by others	$ 7,571,288	$ 7,290,422
Donor restricted endowment funds	8,132,530	7,999,056
	$ 15,703,818	$ 15,289,478

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2014	2013
Land and land improvements	$ 23,323,273	$ 21,524,467
Buildings	171,045,151	138,297,388
Equipment	284,414,885	252,682,233
	478,783,309	412,504,108
Less: Accumulated depreciation	(274,060,791)	(250,099,034)
	204,722,518	162,405,074
Construction in progress	2,127,781	45,776,965
	$ 206,850,299	$ 208,182,039

7. Long-Term Debt

	2014	2013
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 30,900,000	$ 33,625,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	-	22,990,000
CHEFA Series G revenue bonds		
3.2% Term Bonds, due 2023, option to extend 2038	29,200,000	-
CHEFA Series H revenue bonds		
Variable rate bonds, due 2023-2034	21,405,000	-
Line of credit	-	18,663,400
Tax exempt lease	9,963,984	11,596,368
Capital lease obligation	246,684	1,010,148
Total debt outstanding	111,520,668	107,689,916
Less: Amounts classified as current	5,476,980	9,347,876
Add: Bond premium	2,544,115	2,659,757
Total long-term portion of long-term debt	$ 108,587,803	$ 101,001,797

On September 15, 2011 the Connecticut Health and Education Facilities Authority ("CHEFA") issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 which began on January 1, 2012.

The Series E bonds were paid early with the issuance of CHEFA series H.

The tax exempt lease was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This lease will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $29,200,000 with an interest rate of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038.

On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank. Interest on the Series H Bonds accrues at the weekly rate and is payable on the first business day of each month commencing January 1, 2014.

Under the terms of the trust indenture for the Series H Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series H Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

The Series H Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Hospital maintains a letter of credit in the amount of $21,405,000 which expires on November 5, 2016. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are monthly installments. The Series H Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

The Corporation had a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare had a line of credit with Washington Trust for $4,860,642. This line was reissued at time of closing but was paid off in November 2013.

The fair value of the outstanding bonds is $106,215,296 and $78,620,117 at September 30, 2014 and September 30, 2013, respectively.

Principal repayments, excluding capital leases and the line of credit, are as follows:

Years	Annual Principal Repayment
2015	$ 3,660,000
2016	3,825,000
2017	4,010,000
2018	4,165,000
2019 and thereafter	85,650,000
	$ 101,310,000

Cash interest payments of $3,566,051 and $2,682,472 were made in fiscal year 2014 and 2013, respectively. No interest was capitalized during 2014 and 2013.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2014 and 2013 (measurement date of), the significant change in the actuarial loss is predominantly related to the decrease in the discount rate used to determine the benefit obligation at the end of the year:

September 30):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Change in benefit obligation				
Benefit obligation at beginning of year	$ 145,789,789	$ 147,201,452	$ 1,000,744	$ 1,269,206
Service cost	2,402,724	1,536,115	-	-
Interest cost	6,417,121	5,685,930	29,884	31,620
Employee contributions	69,839	90,611	-	-
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Actuarial (gain)/loss	9,010,698	(2,133,477)	(97,788)	(212,291)
Benefit obligation at end of year	156,674,809	145,789,789	837,437	1,000,744
Change in plan assets				
Fair value of plan assets at beginning of year	105,860,348	98,298,309	-	-
Actual return on plan assets	9,861,899	7,662,270	-	-
Employee contributions	69,839	90,611	-	-
Employer contributions	6,400,000	6,400,000	95,403	107,793
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Fair value of plan assets at end of year	115,176,724	105,860,348	-	-
Funded status of the plan	(41,498,085)	(39,928,441)	(837,437)	(1,000,744)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	41,399,294	37,006,625	(488,085)	(456,751)
Unrecognized prior service cost	79,157	190,310	-	-
Accrued benefit costs recognized in the statements of operations	$ (19,634)	$ (2,732,506)	$ (1,325,522)	$ (1,457,495)
Components of net periodic benefit costs				
Service cost	$ 2,402,724	$ 1,536,115	$ -	$ -
Interest cost	6,417,121	5,685,930	29,884	31,620
Expected return on plan assets	(7,920,200)	(7,182,524)	-	-
Amortization of net loss/(gain)	2,676,330	3,175,983	(66,454)	(45,046)
Net amortization and deferral	111,153	140,639	-	-
Benefit cost	$ 3,667,128	$ 3,356,143	$ (36,570)	$ (13,426)

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2014	2013
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2014	2013
Discount rate	4.05 %	4.51 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2014	2013
Cash	2 %	3 %
Bonds	24	23
Mutual funds	45	44
Hedge funds	29	30
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2014	$ 7,399,905
2015	7,694,336
2016	8,101,708
2017	8,234,873
2018	8,658,711
Expected aggregate for 5 fiscal years beginning 2019	47,809,642

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	94,776

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2014 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $56,000 and $71,000, respectively, at September 30, 2014 and 2013. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $51,000 and $65,000, respectively, at September 30, 2014 and 2013.

Plan Assets
The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2014:

	Level 1	Level 2	Level 3	2014
Investments, at fair value				
Cash	$ 2,417,830	$ -	$ -	$ 2,417,830
Bonds	27,571,791	-	-	27,571,791
Mutual funds	46,557,396	5,171,869	-	51,729,265
Hedge funds	-	-	33,457,838	33,457,838
Total investments, at fair value	$ 76,547,017	$ 5,171,869	$ 33,457,838	$ 115,176,724

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,981	$ -	$ -	$ 3,043,981
Bonds	24,488,654	-	-	24,488,654
Mutual funds	41,880,187	4,553,588	-	46,433,775
Hedge funds	-	-	31,893,958	31,893,958
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,368

There were no transfers between levels during 2014 or 2013.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2014	2013
Beginning balances	$ 31,893,958	$ 28,795,536
Realized gains	4,588,368	33,459
Fees	(79,614)	(65,081)
Unrealized gains	(2,944,874)	3,130,044
Purchases	-	-
Sales	-	-
Ending balances	$ 33,457,838	$ 31,893,958

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,584,389 and $4,618,626 for 2014 and 2013, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $463,475 and $446,631 for the years ended September 30, 2014 and 2013, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2014	2013
Health care services	$ 348,719,365	$ 293,416,325
General and administrative	124,868,311	94,388,752
	$ 473,587,676	$ 387,805,077

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 6,917,876	$ 334,893	$ -	$ 7,252,569	$ -	$ 1,901,701	$ 950,345	$ 1,675,245	$ 4,700,669	$ -	$ 16,480,529
Investments	128,450,331	31,541,423	-	159,991,754	-	-	16,769,765	7,523,944	140,576	-	184,426,039
Patient accounts receivable, net	36,373,069	-	-	36,373,069	-	2,378,629	-	2,740,706	5,990,550	-	47,482,954
Other receivables	4,156,260	-	-	4,156,260	24,500	289,393	1,322,262	-	-	-	5,792,415
Inventories	6,580,753	-	-	6,580,753	-	-	-	-	1,812,254	-	8,393,007
Due from affiliates	1,954,838	24,500	(1,954,838)	24,500	2,215,430	-	-	-	-	(2,239,930)	-
Prepaid expenses and other current assets	2,689,506	-	-	2,689,506	-	545,698	16,143	438,951	58,427	-	3,748,725
Debt service fund	1,304,562	-	-	1,304,562	-	-	-	-	-	-	1,304,562
Total current assets	188,426,995	31,900,816	(1,954,838)	218,372,973	2,239,930	5,115,421	19,058,515	12,378,846	12,702,476	(2,239,930)	267,628,231
Assets limited as to use											
Cash	182,862	-	-	182,862	-	-	-	-	-	-	182,862
Construction funds	561,676	-	-	561,676	-	-	-	-	-	-	561,676
Investments held in trust	925,227	-	-	925,227	-	-	-	-	-	-	925,227
Endowment investments	18,987,367	3,565,739	-	22,553,106	-	-	-	6,654,619	7,433,703	-	36,641,428
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,985,614	-	-	6,985,614	-	-	-	-	4,362,996	-	11,348,610
Contributions receivable	20,366	2,750,421	-	2,770,787	-	-	-	-	750,000	-	3,520,787
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	-	-	-	-	-	-	-	-	-	-
Total assets limited as to use	27,663,112	25,597,607	-	53,260,719	-	-	-	6,654,619	12,546,699	(19,281,447)	53,180,590
Other assets											
Intangible assets, net	-			-	-	-	-	-	2,978,625	-	2,978,625
Other receivables	16,536,719	-	-	16,536,719	-	2,137,101	287,916	-	-	(16,380,950)	2,580,786
Deferred financing costs and other assets, net	2,315,752	-	-	2,315,752	-	-	-	-	-	-	2,315,752
Property, plant and equipment											
Land improvements	8,846,232	12,330,635	-	21,176,867	-	-	-	330,275	1,816,131	-	23,323,273
Buildings/leasehold improvements	150,910,346	-	-	150,910,346	-	1,046,733	-	2,238,496	16,849,576	-	171,045,151
Equipment/furniture	265,024,485	17,010	-	265,041,495	-	976,188	-	994,431	17,402,771	-	284,414,885
Accumulated depreciation	(265,615,130)	(104,684)	-	(265,719,814)	-	(973,022)	-	(1,937,034)	(5,430,921)	-	(274,060,791)
Construction in progress	1,691,863	-	-	1,691,863	-	-	-	-	435,918	-	2,127,781
Property, plant and equipment, net	160,857,796	12,242,961	-	173,100,757	-	1,049,899	-	1,626,168	31,073,475	-	206,850,299
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP1280

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 25,786,034	$ 115,809	$ -	$ 25,901,843	$ -	$ 343,515	$ 197,453	$ 1,615,548	$ 9,471,491	$ -	$ 37,529,850
Accrued vacation and sick pay	11,281,701	-	-	11,281,701	-	1,595,316	-	-	1,346,711	-	14,223,728
Salaries, wages, payroll taxes and amounts withheld from employees	5,950,567	-	-	5,950,567	-	3,536,119	-	-	1,184,830	-	10,671,516
Due to affiliates	2,215,430	1,912,595	(1,954,838)	2,173,187	66,743	-	-	-	-	(2,239,930)	-
Due to third party payors	5,165,225	-	-	5,165,225	-	-	-	234,000	1,858,724	-	7,257,949
Other current liabilities	-	-	-	-	-	-	428,096	164,457	-	-	592,553
Current portion of long-term debt	5,342,305	-	-	5,342,305	-	-	-	-	134,675	-	5,476,980
Total current liabilities	55,741,262	2,028,404	(1,954,838)	55,814,828	66,743	5,474,950	625,549	2,004,005	13,996,431	(2,239,930)	75,742,576
Accrued pension and other postretirement benefits	43,216,010	-	-	43,216,010	-	-	-	-	-	-	43,216,010
Other liabilities	20,601,530	-	-	20,601,530	-	3,744,380	17,719,560	-	1,336,389	(17,789,869)	25,610,890
Long-term debt less current portion	108,587,802	-	-	108,587,802	-	-	-	-	-	-	108,587,802
Total liabilities	228,146,604	2,028,404	(1,954,838)	228,220,170	66,743	9,219,330	18,345,109	2,004,005	15,331,820	(20,029,899)	253,157,278
Net assets											
Unrestricted	138,173,767	67,562,541	-	205,736,308	2,173,187	(916,909)	1,001,322	18,628,628	33,152,392	(17,872,428)	241,902,500
Temporarily restricted	23,432,028	150,439	-	23,582,467	-	-	-	-	1,188,220	-	24,770,687
Permanently restricted	6,047,975	-	-	6,047,975	-	-	-	27,000	9,628,643	-	15,703,618
Total net assets	167,653,770	67,712,980	-	235,386,750	2,173,187	(916,909)	1,001,322	18,655,628	43,969,455	(17,872,428)	282,377,005
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP1281

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 416,988	$ 129,669	$ -	$ 546,637	$ -	$ 2,024,446	$ 62,453	$ 783,154	$ 8,093,557	$ -	$ 11,532,247
Investments	130,958,162	29,022,418	-	159,972,580	-	-	14,317,990	7,049,416	-	-	181,339,986
Patient accounts receivable,net	33,803,906	-	-	33,903,908	-	2,259,928	-	2,471,162	5,775,458	-	44,410,454
Other receivables	3,977,343	-	-	3,977,343	659,500	280,553	504,021	-	-	-	5,321,417
Inventories	5,845,470	-	-	5,845,470	-	13,280	-	-	1,642,404	-	7,501,154
Due from affiliates	1,316,775	24,500	(1,316,775)	24,500	1,867,732	-	-	-	-	(1,892,232)	-
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097	-	586,555	2,893	420,324	291,638	-	3,557,507
Debt service fund	1,306,255	-	-	1,306,255	-	-	-	-	-	-	1,306,255
Total current assets	179,974,978	29,176,587	(1,316,775)	207,834,790	2,427,232	5,164,760	14,907,357	10,724,056	15,803,057	(1,892,232)	254,969,020
Assets limited as to use											
Cash	182,366	-	-	182,366	-	-	-	-	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685	-	-	-	-	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034	-	-	-	-	-	-	985,034
Endowment investments	17,922,954	3,300,079	-	21,223,033	-	-	-	5,961,912	6,970,851	-	34,155,796
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,773,578	-	-	6,773,578	-	-	-	-	4,182,851	-	10,956,429
Contributions receivable	20,366	1,932,627	-	1,952,993	-	-	-	-	750,000	-	2,702,993
Funds held in escrow by agreement with	-	-	-	-	-	-	-	-	-	-	-
State of Connecticut Health and	-	-	-	-	-	-	-	-	-	-	-
Educational Facilities Authority and trustees	2,247,255	-	-	2,247,255	-	-	-	-	-	-	2,247,255
Total assets limited as to use	37,673,238	24,514,153	-	62,187,391	-	-	-	5,961,912	11,903,702	(19,281,447)	60,771,558
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	3,352,875	-	3,352,875
Other receivables	13,694,110	-	-	13,694,110	-	1,119,441	418,675	-	-	(12,684,764)	2,547,462
Deferred financing costs and other assets, net	1,776,176	-	-	1,776,176	-	-	-	-	-	-	1,776,176
Property, plant and equipment											
Land improvements	7,343,577	12,330,635	-	19,674,212	-	-	-	330,275	1,520,000	-	21,524,487
Buildings/leasehold improvements	120,101,634	-	-	120,101,634	-	1,339,331	-	2,238,496	14,617,927	-	138,297,388
Equipment/furniture	234,099,872	21,774	-	234,121,646	-	902,609	-	947,778	16,710,300	-	252,682,233
Accumulated depreciation	(245,331,839)	(47,758)	-	(245,379,595)	-	(1,153,898)	-	(1,829,716)	(1,736,025)	-	(250,099,034)
Construction in progress	45,776,965	-	-	45,776,965	-	-	-	-	-	-	45,776,965
Property, plant and equipment, net	161,990,209	12,304,653	-	174,294,862	-	1,088,142	-	1,686,833	31,112,202	-	208,182,039
	$ 385,108,711	$ 65,995,393	$ (1,316,775)	$ 450,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,599,130

DOHP1282

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 24,079,687	$ 148,360	$ -	$ 24,228,047	$ -	$ 204,726	$ 75,248	$ 1,470,128	$ 16,633,323	$ -	$ 42,611,470
Accrued vacation and sick pay	11,523,272	-	-	11,523,272	-	1,057,435	-	-	-	-	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	-	-	4,495,457	-	2,351,953	-	-	3,254,244	-	10,101,654
Due to affiliates	1,867,732	758,960	(1,316,775)	1,309,917	582,315	-	-	-	-	(1,892,232)	-
Due to third party payors	3,826,094	-	-	3,826,094	-	-	-	251,000	1,793,887	-	5,870,981
Other current liabilities	-	-	-	-	-	-	13,606	109,411	-	-	123,017
Current portion of long-term debt	4,487,234	-	-	4,487,234	-	-	-	-	4,860,642	-	9,347,876
Total current liabilities	50,279,476	907,320	(1,316,775)	49,870,021	582,315	3,614,114	88,852	1,830,539	26,542,096	(1,892,232)	80,635,705
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345	-	-	-	-	-	-	42,309,345
Other liabilities	17,774,823	-	-	17,774,823	-	2,407,115	13,906,589	-	1,425,678	(13,837,528)	21,676,677
Long-term debt less current portion	88,439,477	13,802,758	-	102,242,235	-	-	-	-	759,562	-	101,001,797
Total liabilities	196,803,121	14,710,078	(1,316,775)	210,196,424	582,315	6,021,229	13,995,441	1,830,539	28,727,336	(15,729,760)	245,623,524
Net assets											
Unrestricted	170,180,088	50,262,836	-	220,422,924	1,844,917	1,351,114	1,330,591	16,515,282	23,195,021	(18,128,683)	246,531,146
Temporarily restricted	22,198,248	1,022,479	-	23,220,727	-	-	-	-	934,255	-	24,154,982
Permanently restricted	5,947,254	-	-	5,947,254	-	-	-	27,000	9,315,224	-	15,289,478
Total net assets	198,305,590	51,285,315	-	249,590,905	1,844,917	1,351,114	1,330,591	16,542,282	33,444,500	(18,128,683)	285,975,606
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,599,130

DOHP1283

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 337,129,192	$ -	$ -	$ 337,129,192	$ -	$ 29,333,784	$ -	$ 12,091,733	$ 74,974,391	$ -	$ 453,529,100
Provision for bad debt	(14,930,302)	-	-	(14,930,302)	-	(534,484)	-	(75,000)	(4,758,600)	-	(20,298,386)
Net revenue less provision for bad debt	322,198,890	-	-	322,198,890	-	28,799,300	-	12,016,733	70,215,791	-	433,230,714
Other operating revenues	28,151,061	2,956,303	-	31,109,364	486,265	4,787,861	5,376,504	4,140,108	2,963,569	(28,068,175)	20,795,287
Net assets released from restriction	671,797	204,406	-	876,203	-	-	-	-	-	-	876,203
	351,021,748	3,160,709	-	354,184,457	486,265	33,586,961	5,376,504	16,156,841	73,179,351	(28,068,175)	454,902,204
Operating expenses											
Salaries and wages	143,838,674	-	-	143,838,674	-	37,356,344	-	16,811,798	28,074,499	(6,813,808)	213,467,507
Employee benefits	51,044,718	-	-	51,044,718	-	6,483,081	-	2,568,218	6,454,031	(7,394,212)	59,156,837
Supplies	59,538,141	208,897	-	59,746,038	-	1,334,391	-	330,386	10,586,295	-	71,996,110
Purchased services	38,647,767	518,743	-	39,166,510	19,330	3,462,924	334,538	480,267	15,344,077	(4,332,235)	54,475,011
Other	34,490,156	42,546	-	34,532,702	122,206	7,849,748	5,486,160	937,952	4,066,583	(9,658,175)	43,427,176
Interest	3,542,721	8,800	-	3,551,221	-	-	-	-	419,696	(416,000)	3,554,918
Depreciation and amortization	22,726,484	61,892	-	22,788,376	-	234,288	-	107,318	4,347,360	-	27,479,122
	353,830,661	838,378	-	354,669,039	141,536	56,720,356	5,820,698	15,265,950	69,294,533	(28,224,430)	473,587,676
(Loss) from operations	(2,808,913)	2,324,331	-	(484,582)	344,735	(23,133,395)	(444,194)	890,891	3,884,818	256,255	(18,685,472)
Nonoperating gains											
Unrestricted investment income	180,488	-	-	180,488	-	-	-	-	-	-	180,488
Income from investments	8,608,113	356,103	-	8,964,216	-	-	203,572	652,017	13,359	-	9,832,164
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	5,284,752	-	5,284,752
	8,788,601	356,103	-	9,143,704	-	-	203,572	652,017	5,298,111	-	15,297,404
(Deficit)/excess of revenues over expenses	5,979,688	2,679,434	-	8,659,122	344,735	(23,133,395)	(240,622)	1,542,908	9,182,929	256,255	(3,388,068)
Net unrealized gains/(losses) on investments	31,069	1,515,218	-	1,546,277	-	-	(68,847)	570,458	-	-	2,048,088
Transfer to L & M Affiliate	(33,861,262)	12,237,912	-	(21,623,350)	(16,463)	20,865,372	-	-	774,443	-	-
Net assets released from restrictions used for purchases of property and equipment	139,388	867,140	-	1,006,528	-	-	-	-	-	-	1,006,528
Donated equipment	9,350	-	-	9,350	-	-	-	-	-	-	9,350
Pension related changes other than periodic pension costs	(4,251,516)	-	-	(4,251,516)	-	-	-	-	-	-	(4,251,516)
Decrease in unrestricted net assets	$ (31,986,321)	$ 17,299,704	$ -	$ (14,686,617)	$ 328,272	$ (2,268,023)	$ (329,269)	$ 2,113,366	$ 9,957,372	$ 256,255	$ (4,628,645)

DOHP1284

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 315,384,106	$ -	$ -	$ 315,384,106	$ -	$ 21,002,422	$ -	$ 10,980,237	$ 25,398,974	$ -	$ 372,745,739
Provision for bad debt	(12,127,746)	-	-	(12,127,746)	-	(315,036)	-	(75,000)	(2,038,188)	-	(14,555,970)
Net revenue less provision for bad debt	303,256,360	-	-	303,256,360	-	20,687,386	-	10,885,237	23,360,786	-	358,189,769
Other operating revenues	19,682,610	2,680,386	-	22,279,196	552,925	5,172,964	6,080,077	4,104,854	700,630	(17,440,785)	21,448,860
Net assets released from restriction	506,227	240,557	-	746,784	-	-	-	-	-	-	746,784
	323,357,397	2,923,942	-	326,283,339	552,925	25,860,350	6,080,077	14,990,091	24,061,416	(17,440,785)	380,387,413
Operating expenses											
Salaries and wages	149,825,846	-	-	149,825,846	-	26,840,185	-	10,239,095	9,456,606	(2,284,188)	193,780,944
Employee benefits	43,535,428	-	-	43,535,428	-	4,434,983	-	2,693,125	2,842,707	(4,243,999)	49,062,244
Supplies	45,171,409	241,132	-	45,412,541	-	870,017	-	268,825	2,977,900	-	49,529,083
Purchased services	23,822,138	3,294,240	-	26,916,378	19,305	1,859,333	196,264	97,766	5,341,842	(2,152,026)	32,278,640
Other	33,252,775	146,028	-	33,398,803	306,857	5,955,316	4,510,814	1,184,934	1,084,106	(9,174,808)	37,265,822
Interest	2,705,025	39,577	-	2,744,602	-	-	-	-	120,409	-	2,865,011
Depreciation and amortization	20,641,189	38,628	-	20,679,685	-	243,331	-	126,787	1,973,650	-	23,023,433
	318,753,789	3,759,603	-	322,513,283	326,162	39,903,165	4,706,868	14,611,202	23,996,420	(17,855,023)	387,805,077
Income from operations	4,603,617	(833,661)	-	3,770,056	226,763	(14,042,815)	1,373,209	378,889	461,996	414,238	(7,417,664)
Nonoperating gains											
Unrestricted investment income	122,109	-	-	122,109	-	-	-	-	-	-	122,109
Income/(loss) from investments	6,041,461	881,712	-	6,923,173	-	-	198,569	630,012	373	-	7,752,127
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	17,895,540	(16,098,758)	1,796,782
	6,163,570	881,712	-	7,045,282	-	-	198,569	630,012	17,895,913	(16,098,758)	9,671,018
Excess of revenues over expenses	10,767,187	48,151	-	10,815,338	226,763	(14,042,815)	1,571,778	1,008,901	18,357,909	(15,684,520)	2,253,354
Net unrealized (losses)/gains on investments	9,113,432	2,590,798	-	11,704,230	-	-	(141,849)	484,474	-	-	12,046,855
Transfer to L & M Affiliate	1,136,545	(21,837,540)	-	(20,701,095)	139,626	15,724,357	-	-	4,837,112	-	-
Net assets released from restrictions used for purchases of property and equipment	167,751	-	-	167,751	-	-	-	-	-	-	167,751
Donated equipment	-	-	-	-	-	-	-	-	-	-	-
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845	-	-	-	-	-	-	5,929,845
Decrease in unrestricted net assets	$ 27,114,760	$ (19,196,091)	$ -	$ 7,916,069	$ 366,389	$ 1,681,542	$ 1,429,929	$ 1,493,375	$ 23,195,021	$ (15,684,520)	$ 20,397,805

DOHP1285

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10/01, **2012, and ending** 09/30, **20** 13

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: LMW HEALTHCARE, INC

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUCK AVENUE

Room/suite:

City, town or post office, state, and ZIP code: NEW LONDON, CT 06320

D Employer identification number: 46-0543230

E Telephone number: (860) 442-0711

G Gross receipts $: 28,499,685.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUCK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☒ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.WESTERLYHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 2012 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
LMW HEALTHCARE, INC PROVIDES INPATIENT AND OUTPATIENT MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	11.
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10.
5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	0
6 Total number of volunteers (estimate if necessary)	6	235.
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

Revenue

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	0	23,502,178.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	39,588.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	4,957,919.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	28,499,685.

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	12,074,983.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	0	11,455,753.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	0	23,530,736.
19 Revenue less expenses. Subtract line 18 from line 12	0	4,968,949.

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	0	58,654,973.
21 Total liabilities (Part X, line 26)	0	27,042,579.
22 Net assets or fund balances. Subtract line 21 from line 20	0	31,612,394.

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: GWEN SPENCER	Preparer's signature	Date: 08/13/2014	Check ☐ if self-employed; PTIN: P00641463
Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no. 617-530-5000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

JSA
2E1010 1.000
2647GN 7377

DOHP1286

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:
LMW HEALTHCARE IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL PROVIDING MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS.

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

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

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

4a (Code:) (Expenses $ 17,894,346. including grants of $) (Revenue $ 23,502,178.)
SEE SCHEDULE O

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

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

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

4e **Total program service expenses** ▶ 17,894,346.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

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

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year.	1a 11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶CHARLES C. WHITE 25 WELLS STREET WESTERLY, RI 02891 860-442-0711

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEPHEN M. GREENE CHAIRMAN	2.00 0	X		X				0	0	0
(2) DEBORAH LAMM VICE CHAIRMAN	2.00 0	X		X				0	0	0
(3) BRUCE D. CUMMINGS PRESIDENT	2.00 38.00	X		X				0	639,015.	94,876.
(4) STEVEN RUZZO TREASURER	2.00 0	X		X				0	0	0
(5) ANN M. LAIN SECRETARY	2.00 0	X		X				0	0	0
(6) THOMAS J. LIGUORI DIRECTOR	2.00 0	X						0	0	0
(7) RICHARD SMITH DIRECTOR	2.00 0	X						0	0	0
(8) CORINNE ROSSI DIRECTOR	2.00 0	X						0	0	0
(9) WILLIAM CONLIN, M.D. DIRECTOR	2.00 0	X						0	0	0
(10) ADRIAN K. HAMBURGER, M.D. DIRECTOR	2.00 38.00	X						0	0	0
(11) GEORGE BOURGANOS, M.D. DIRECTOR	2.00 0	X						0	0	0
(12) MARILYN MALERBA SEC/TREAS/DIR (UNTIL 05/2013)	2.00 6.00	X						0	0	0
(13) ULYSSES B. HAMMOND CHAIRMAN/DIR (UNTIL 05/2013)	2.00 4.00	X						0	0	0
(14)										

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total ▶								0	639,015.	94,876.
c Total from continuation sheets to Part VII, Section A ▶								0	0	0
d Total (add lines 1b and 1c) ▶								0	639,015.	94,876.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 0

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

Section B. Independent Contractors

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

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

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f ▶		0			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	900099	23,360,786.	23,360,786.		
	b FREE BED INCOME	900099	141,392.	141,392.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶		23,502,178.			
	3 Investment income (including dividends, interest, and other similar amounts) ▶		39,588.			39,588.
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
		(i) Real	(ii) Personal			
	6a Gross rents	83,601.				
	b Less: rental expenses					
	c Rental income or (loss)	83,601.				
	d Net rental income or (loss) ▶		83,601.			83,601.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory					
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss) ▶		0			
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶		0			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶		0			
	Miscellaneous Revenue	Business Code				
	11a PURCHASED SERVICES	900099	4,772,646.			4,772,646.
	b CAFETERIA SALES	900099	58,510.			58,510.
	c OTHER INCOME	900099	43,162.			43,162.
	d All other revenue					
	e Total. Add lines 11a-11d ▶		4,874,318.			
	12 Total revenue. See instructions ▶		28,499,685.	23,502,178.		4,897,502.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	8,750.		8,750.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	9,423,526.	6,925,832.	2,497,694.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	122,178.	89,795.	32,383.	
9 Other employee benefits	1,520,309.	1,117,353.	402,956.	
10 Payroll taxes	1,000,220.	735,113.	265,107.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	310,656.	228,317.	82,339.	
c Accounting	33,580.	24,680.	8,900.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	756,537.	562,449.	194,088.	
12 Advertising and promotion	7,083.	5,206.	1,877.	
13 Office expenses	90,478.	66,497.	23,981.	
14 Information technology	370,063.	271,978.	98,085.	
15 Royalties	0			
16 Occupancy	0			
17 Travel	9,251.	6,799.	2,452.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	120,409.	88,495.	31,914.	
21 Payments to affiliates	2,003,506.	1,472,479.	531,027.	
22 Depreciation, depletion, and amortization	1,973,650.	1,450,536.	523,114.	
23 Insurance	370,448.	272,261.	98,187.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	1,424,894.	1,424,894.		
b PURCHASED SERVICES	1,854,666.	1,363,089.	491,577.	
c DRUGS	840,359.	840,359.		
d OTHER	1,290,173.	948,214.	341,959.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	23,530,736.	17,894,346.	5,636,390.	
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	0	1	6,601,810.
	2	Savings and temporary cash investments	0	2	0
	3	Pledges and grants receivable, net	0	3	0
	4	Accounts receivable, net	0	4	4,097,039.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use	0	8	1,642,404.
	9	Prepaid expenses and deferred charges	0	9	291,638.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 32,898,727.			
	b	Less: accumulated depreciation — 10b: 1,786,525.	0	10c	31,112,202.
	11	Investments - publicly traded securities	0	11	6,624,154.
	12	Investments - other securities. See Part IV, line 11	0	12	4,182,851.
	13	Investments - program-related. See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	3,352,875.
	15	Other assets. See Part IV, line 11	0	15	750,000.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	0	16	58,654,973.
Liabilities	17	Accounts payable and accrued expenses	0	17	18,202,810.
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	25	8,839,769.
	26	**Total liabilities.** Add lines 17 through 25	0	26	27,042,579.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	0	27	21,362,915.
	28	Temporarily restricted net assets	0	28	934,255.
	29	Permanently restricted net assets	0	29	9,315,224.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	0	33	31,612,394.
	34	Total liabilities and net assets/fund balances	0	34	58,654,973.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	28,499,685.
2	Total expenses (must equal Part IX, column (A), line 25)	2	23,530,736.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,968,949.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	26,643,445.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	31,612,394.

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization	Employer identification number
LMW HEALTHCARE, INC	46-0543230

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **331/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **331/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
LMW HEALTHCARE, INC	46-0543230

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

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

1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		1,054.
j Total. Add lines 1c through 1i			1,054.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

SCHEDULE C, PART II-B, LINE 1I

THE ORGANIZATION PAYS MEMBERSHIP DUES TO HOSPITAL ASSOCIATION OF RHODE ISLAND WHICH MAY ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES.

Part IV **Supplemental Information** *(continued)*

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions	6,524,115.				
c Net investment earnings, gains, and losses	122,157.				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	22,118.				
g End of year balance	6,624,154.				

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

a Board designated or quasi-endowment ▶ 19.7400 %
b Permanent endowment ▶ 14.1000 %
c Temporarily restricted endowment ▶ 66.1600 %

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

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

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,090,000.		1,090,000.
b Buildings		16,710,300.	278,505.	16,431,795.
c Leasehold improvements				
d Equipment		14,668,427.	1,454,270.	13,214,157.
e Other		430,000.	53,750.	376,250.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				31,112,202.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) FUNDS HELD IN TRUST	4,182,851.	FMV
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	4,182,851.	

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

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

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LINE OF CREDIT	4,860,642.
(3) 3RD PARTY PAYOR SETTLEMENTS	1,793,887.
(4) CAPITAL LEASE OBLIGATIONS	759,562.
(5) ASSET RETIREMENT OBLIGATION	1,425,678.
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	8,839,769.

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

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

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

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

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

Part XIII Supplemental Information

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

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUND FUNCTONS TO SUPPORT AND PROVIDE INCOME FOR THE FURTHERANCE OF THE HEALTH CARE MISSION OF LMW HEALTHCARE.

SCHEDULE D, PART X, LINE 2

THE ORGANIZATION'S CONSOLIDATED FINANCIAL STATEMENTS DO NOT INCLUDE A FIN 48 FOOTNOTE.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LMW HEALTHCARE, INC

Employer identification number

46-0543230

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			225,243.		225,243.	.95
b Medicaid (from Worksheet 3, column a)			2,533,184.	1,927,940.	605,244.	2.57
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			2,758,427.	1,927,940.	830,487.	3.52
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		796	137,351.	20,173.	117,178.	.50
f Health professions education (from Worksheet 5)		51	285,623.		285,623.	1.21
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)					7,766.	.03
i Cash and in-kind contributions for community benefit (from Worksheet 8)		80	1,499.		1,499.	.01
j Total. Other Benefits		927	424,473.	20,173.	412,066.	1.75
k Total. Add lines 7d and 7j		927	3,182,900.	1,948,113.	1,242,553.	5.27

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			1,208.		1,208.	.01
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			1,208.		1,208.	.01

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

		Yes	No
Section A. Bad Debt Expense			
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 2,038,188.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare			
5 Enter total revenue received from Medicare (including DSH and IME)	5 9,193,529.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6 7,903,285.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7 1,290,244.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other			
Section C. Collection Practices			
9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 LMW HEALTHCARE, INC 25 WELLS STREET WESTERLY RI 02891	X	X					X			
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group LMW HEALTHCARE, INC

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):		
a	[X] A definition of the community served by the hospital facility		
b	[X] Demographics of the community		
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	[X] How data was obtained		
e	[X] The health needs of the community		
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	[X] The process for consulting with persons representing the community's interests		
i	[ ] Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	[ ] Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 12		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	X	
5	Did the hospital facility make its CHNA report widely available to the public?	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a	[X] Hospital facility's website		
b	[X] Available upon request from the hospital facility		
c	[ ] Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	[ ] Execution of the implementation strategy		
c	[ ] Participation in the development of a community-wide plan		
d	[ ] Participation in the execution of a community-wide plan		
e	[ ] Inclusion of a community benefit section in operational plans		
f	[ ] Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	[X] Prioritization of health needs in its community		
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	[X] Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		X
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $		

Part V Facility Information *(continued)*

Financial Assistance Policy LMW HEALTHCARE, INC

		Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing *discounted* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %		
	If "No," explain in Part VI the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients?	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	[X] Income level		
b	[X] Asset level		
c	[X] Medical indigency		
d	[ ] Insurance status		
e	[X] Uninsured discount		
f	[ ] Medicaid/Medicare		
g	[ ] State regulation		
h	[ ] Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	[ ] The policy was posted on the hospital facility's website		
b	[ ] The policy was attached to billing invoices		
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	[X] The policy was posted in the hospital facility's admissions offices		
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility		
f	[X] The policy was available on request		
g	[ ] Other (describe in Part VI)		

Billing and Collections

		Yes	No
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Part VI)		

Part V Facility Information *(continued)* LMW HEALTHCARE, INC

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

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

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

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

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Part VI)

21	During the tax year, did the hospital facility charge any of its FAP- eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.		X
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI.		X

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

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

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART I, LINE 3C

IT IS THE PHILOSOPHY AND POLICY OF LMW HEALTHCARE THAT MEDICALLY NECESSARY HEALTH CARE SERVICES SHOULD BE AVAILABLE TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY.

CHARITY CARE APPLIES TO ALL UNINSURED PATIENTS(DEFINED AS EARNING LESS THAN 250% OF THE POVERTY GUIDELINES). CARE WILL BE PROVIDED FREE FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFY THEIR ANNUAL INCOME IS LESS THAN 250% OF THE FEDERAL INCOME POVERTY LEVEL ("FPL"). LIQUID ASSETS MUST NOT EXCEED $50,000 (STOCKS, BONDS, CASH , IRA, CD , ETC.) EXCLUDING PRIMARY RESIDENCE AND PRIMARY MOTOR VEHICLE. BUSINESS ASSETS, RENTAL PROPRTY, SECONDARY RESIDENCE, RECREATIONAL VEHICLES AND OTHER SUCH LUXURY ITEMS WILL BE APPLIED TO THE LIQUID ASSESTS. CARE WILL BE DISCOUNTED ON A SLIDING SCALE FOR SELF PAY PATIENTS WHO HAVE NO THIRD PARTY INSURANCE TO COVER SERVICES WITH AN ANNUAL INCOME THAT IS BETWEEN 250% AND 400% OF THE FPL AND HAVE ASSETS LESS THAN $50,000, IN ACCORDANCE WITH THE FOLLOWING:

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

251%-300%= COST OF CHARGE

301%-350%= 40%

351%-400%= 30%

SCHEDULE H, PART 1, LINE 7

THE AMOUNTS REPORTED ON PART 1, LINE 7 WERE CALCULATED AS DIRECT, SEPARATELY IDENTIFIABLE COSTS INCURRED BY THE HOSPITAL PLUS AN ALLOCATION OF OVERHEAD.

SCHEDULE H, PART II

LMW HEALTHCARE, WITH A MISSION TO "IMPROVE THE HEALTH OF THE REGION," HEWS TO THE WORLD HEALTH ORGANIZATION DEFINITION OF HEALTH: "A STATE OF COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING AND NOT MERELY THE ABSENCE OF DISEASE OR INFIRMITY." IN ADDITION TO MEETING IDENTIFIED NEEDS IN THE COMMUNITY, LMW HEALTHCARE CONTRIBUTES TO AN OVERALL HEALTHY COMMUNITY AND SUPPORTS THE HOSPITAL'S ROLE AS GOOD CORPORATE CITIZEN.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

THIS SOCIAL IMPACT IS MEASURED IN TERMS OF COMMUNITY VIBRANCY, AND BREADTH AND DEPTH OF COMMUNITY ACTIVITIES THAT ENHANCE THE QUALITY OF LIFE IN THE REGION. THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES FALL INTO THE CATEGORY OF ECONOMIC DEVELOPMENT ACTIVITIES THROUGH THE REGION'S CHAMBERS OF COMMERCE AND BUSINESS ASSOCIATIONS.

SCHEDULE H, PART III, LINE 4

LMW HEALTHCARE USES A COST REPORTING SYSTEM TO DETERMINE THE BAD DEBT EXPENSE. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 IS TAKEN DIRECTLY FROM THE AUDITED FINANCIAL STATEMENTS.

SCHEDULE H, PART III, LINE 8

THE MEDICARE SHORTFALL OF ($1,290,244) REPORTED IN PART III, LINE 7 WAS CALCULATED BASED ON COST REPORTING. THIS AMOUNT SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE THE RATES PAID BY MEDICARE DO NOT ACCURATELY REFLECT THE COST OF CARE PROVIDED BY LMW HEALTHCARE. LMW HEALTHCARE MUST SUBSIDIZE THE COST OF CARE TO MEDICARE BENEFICIARIES WITH OTHER REVENUES.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART III, LINE 9B

IN ACCORDANCE WITH ITS WRITTEN CREDIT AND COLLECTION POLICY, LMW HEALTHCARE WILL NOT PURSUE COLLECTION EFFORTS, DIRECTLY OR THROUGH COLLECTION AGENCIES, ON THE PORTION OF A PATIENTS'S BILL FOR WHICH THAT PATIENT HAS ESTABLISHED ELIGIBILITY FOR CHARITY CARE.

SCHEDULE H, PART V, LINE 3

THE LMW HEALTHCARE CHNA WAS COMPLETED IN COLLABORATION WITH THE HOSPITAL ASSOCIATION OF RHODE ISLAND (HARI), ITS MEMBER HOSPITALS, AND THE RHODE ISLAND DEPARTMENT OF HEALTH AND WITH THE ASSISTANCE OF HOLLERAN CONSULTING. THE PROCESS INCLUDED COLLECTION AND ANALYSIS OF SECONDARY DATA, KEY INFORMANT INTERVIEWS AND TARGETED FOCUS GROUPS. INCLUSION OF REPRESENTATIVES OF DIVERSE SECTORS OF THE COMMUNITY WAS A PRIORITY.

UPON COMPLETION OF DATA COLLECTION AND ANALYSIS, THE CHNA COLLABORATIVE CONVENED TO A COMMUNITY HEALTH STRATEGIC PLANNING SESSION IN APRIL 2013. THIS SESSION WAS FACILITATED BY HOLLERAN CONSULTING. THE PURPOSE OF THE

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

STRATEGIC PLANNING SESSION WAS TO SHARE THE RESULTS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, TO DISCUSS AND PRIORITIZE COMMUNITY HEALTH NEEDS, AND TO DEVELOP COMMUNITY HEALTH GOALS AND STRATEGIES TO GUIDE THE WESTERLY COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP).

SCHEDULE H, PART V, LINE 4

OTHER HOSPITALS PARTICIPATING IN THE CHNA COLLABORATIVE WERE: BUTLER HOSPITAL, CARE NEW ENGLAND, KENT HOSPITAL, LANDMARK MEDICAL CENTER, MEMORIAL HOSPITAL OF RHODE ISLAND, ROGER WILLIAMS MEDICAL CENTER, ST. JOSEPH HEALTH SERVICES OF RI/CHARTER CARE, SOUTH COUNTY HOSPITAL, THE MIRIAM HOSPITAL, WOMEN & INFANTS HOSPITAL.

SCHEDULE H, PART V, LINE 5A

THE CHNA REPORT CAN BE FOUND ONLINE AT THE HOSPITAL'S WEBSITE:

HTTP://WWW.WESTERLYHOSPITAL.ORG/ABOUT/2022-2/

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART V, LINE 6I

THE COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP) WAS APPROVED BY THE WESTERLY HOSPITAL BOARD OF DIRECTORS ON SEPTEMBER 30, 2013. THE PLAN CAN BE FOUND ONLINE ON THE HOSPITAL'S WEBSITE:

HTTP://WWW.WESTERLYHOSPITAL.ORG/ABOUT/2022-2/COMMUNITY-HEALTH-IMPLEMENTATION-ACTION-PLAN/

SCHEDULE H, PART V, LINE 7

DUE TO RESOURCE CONSTRAINTS, SOME OF THE IDENTIFIED NEEDS THROUGH THE CHNA WILL NOT BE ADDRESSED AS AN INITIAL PRIORITY, SPECIFICALLY BREAST CANCER AND ALCOHOL USE. IN THE EXAMPLE OF ALCOHOL USE, OTHER ORGANIZATIONS ARE TAKING THE LEAD AND LMW HEALTHCARE IS COLLABORATING. A DRIVING PHILOSOPHY OF LMW HEALTHCARE'S COMMUNITY BENEFIT EFFORTS IS TO BUILD ON COMMUNITY RESOURCES, PROGRAMS AND SERVICES AND TO NOT DUPLICATE THEM. AS SUCH, IN EXAMINING EACH OF THE PRIORITIZED COMMUNITY HEALTH NEEDS, EXISTING COMMUNITY ASSETS WERE IDENTIFIED BEFORE CONSIDERING ANY NEW STRATEGIES THAT LMW HEALTHCARE MIGHT INITIATE AND/OR THOSE TO BE

Part VI Supplemental Information

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CONTINUED. WHERE THERE IS AN EXISTING COMMUNITY-BASED PROGRAM ADDRESSING

ANY OF THE PRIORITIZED NEEDS, OR DUE TO RESOURCE LIMITATIONS, LMW

HEALTHCARE WILL WORK TO SUPPORT AND BUILD CAPACITY OF THOSE PROGRAMS

RATHER THAN TO CREATE SOMETHING NEW.

SCEDULE H PART V, LINE 11

SEE EXPLANATION FOR SCHEDULE H, PART I, LINE 3C.

SCHEDULE H, PART V, LINE 20D

SEE EXPLANATION FOR SCHEDULE H, PART I, LINE 3C.

SCHEDULE H PART VI, LINE 2

NEEDS ASSESSMNET

IN ADDITION TO THE METHODOLOGY EMPLOYED IN CONDUCTING THE COMMUNITY

HEALTH NEEDS ASSESSMENT, LMW HEALTHCARE CARRIES OUT A VARIETY OF OTHER

STRATEGIES IN GAUGING THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES.

THESE STRATEGIES INCLUDE REVIEW OF DISEASE INCIDENCE AND PREVALENCE RATES

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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FOR THE LOCAL COMMUNITY, STATE, AND NATION WITH RATES COLLECTED FROM PUBLICLY AVAILABLE SOURCES. THIS ANALYSIS INFORMS LMW HEALTHCARE ON THE HEALTH STATUS OF THE COMMUNITY AND IS USED TO FOCUS PROGRAM AND SERVICE DEVELOPMENT ON AREAS OF GREATEST CONCERN.

INFORMATION ON COMMUNITY NEEDS IS ALSO GATHERED THROUGH PARTNERSHIPS WITH OTHER COMMUNITY ORGANIZATIONS SUCH AS THE PUBLIC SCHOOLS AND THE WESTERLY PARENT ACADEMY, WOOD RIVER HEALTH SERVICES, THE WARM CENTER, AND OTHER LOCAL NON-PROFITS. PERIODIC REVIEW OF DATA AND UPDATING AS APPROPRIATE IS CONDUCTED.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

IN ACCORDANCE WITH ITS CHARITY CARE POLICY, LMW HEALTHCARE NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE USING SEVERAL METHODS.

1) SIGNAGE INDICATING THE AVAILABILITY OF CHARITY CARE IS POSTED IN

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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ENGLISH AND SPANISH IN PATIENT ACCOUNTS, HEALTH ACCESS MANAGEMENT AND CERTAIN CLINICAL AREAS. SUMMARIES OF THE PROGRAMS WILL ALSO BE AVAILABLE IN THOSE AREAS.

2) PATIENT FINANCIAL ADVISORS WILL ATTEMPT TO VISIT ALL INPATIENTS REGISTERED AS SELF PAY PATIENTS. A SUMMARY EXPLAINING CHARITY CARE WILL BE GIVEN TO THE PATIENT OR GUARANTOR WHEN THIS VISIT OCCURS.

3) PATIENTS WITH NO INSURANCE WILL RECEIVE AN INITIAL LETTER WITHIN ONE WEEK OF DISCHARGE INFORMING THEM THEY ARE CONSIDERED "UNINSURED". IT IS THE RESPONSIBILITY OF THE PATIENT TO ADVISE LMW IF THEY BELIEVE THEY QUALIFY AS "UNINSURED" (AT OR UNDER 250% OF THE FPG).

4) A SERIES OF MONTHLY STATEMENTS WILL BE SENT FOLLOWING DISCHARGE. EACH STATEMENT WILL REMIND THE PATIENT OF THE AVAILABILITY OF CHARITY CARE.

SCHEDULE H, PART VI LINE 4

COMMUNITY INFORMATION

THE COMMUNITIES THAT COMPRISE THE SERVICE AREA OF LMW HEALTHCARE INCLUDE EIGHT TOWNS IN SOUTHWESTERN RHODE ISLAND: ASHAWAY, BLOCK ISLAND,

Part VI Supplemental Information

Complete this part to provide the following information.

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BRADFORD, CHARLESTOWN, HOPE VALLEY, HOPKINTON, WESTERLY AND WOOD RIVER JUNCTION, WITH A TOTAL POPULATION OF APPROXIMATELY 40,785. THESE COMMUNITIES ARE LARGELY RURAL WITH THE IMMEDIATE WESTERLY AREA BEING SUBURBAN.

RHODE ISLAND, AND LIKEWISE THE WESTERLY AREA, CONTINUES TO HAVE AN UNEMPLOYMENT RATE (8.7%) THAT IS ONE OF THE HIGHEST IN THE NATION WITH THE GROWTH, ALBEIT SLOW, OCCURRING IN LOWER WAGE INDUSTRIES. THE LOCAL ECONOMY IS HEAVILY DEPENDENT UPON AGRICULTURE, LEISURE/HOSPITALITY/TOURISM, AND CONSTRUCTION.

ALTHOUGH IT IS ANTICIPATED THAT THERE WILL BE A SLIGHT DECLINE IN OVERALL POPULATION IN THE NEXT FIVE YEARS, THE FASTEST GROWING AGE GROUP IN THE PRIMARY SERVICE AREA WILL BE 65+. IN WASHINGTON COUNTY, RI, ACCORDING TO THE 2010 CENSUS THE POPULATION IS PREDOMINANTLY WHITE (90.5%) WITH HISPANICS REPRESENTING 3.2%, AFRICAN AMERICANS 1%, ASIAN/PACIFICS 3% AND THOSE WHO INDICATE TWO OR MORE RACES" 2.2%. STATEWIDE, POPULATION GROWTH IN RECENT YEARS HAS BEEN LARGELY ATTRIBUTABLE TO INCREASING NUMBERS OF PEOPLE OF COLOR AND ALTHOUGH OVERALL THE PERCENTAGES OF PEOPLE OF COLOR

Part VI Supplemental Information

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IN THE WESTERLY AREA REMAIN SMALL, IT FOLLOWS THE STATE PATTERN.

INCREASING NUMBERS IN COMMUNITIES OF COLOR ALSO BRING DISPARITIES IN

HOUSING, INCOME, EDUCATIONAL ATTAINMENT, HEALTH, AND OPPORTUNITY.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

LMW HEALTHCARE'S COMMUNITY BENEFIT PROGRAMS AND SERVICES FORWARD THE

ORGANIZATIONAL MISSION "TO IMPROVE THE HEALTH OF THE REGION" AND ALIGN

WITH THE FOLLOWING PRINCIPLES:

1. EMPHASIS ON PROGRAMS TO MEET A SIGNIFICANT UNMET HEALTH NEED INCLUDING

EFFORTS TO IDENTIFY AND INCLUDE VULNERABLE POPULATIONS OR THOSE MOST

AT-RISK AS DETERMINED BY RISK FACTORS WHICH PREDISPOSE THOSE POPULATIONS

TOWARD A HIGHER INCIDENCE OF DISEASE AND/OR BARRIERS TO OBTAINING

APPROPRIATE HEALTHCARE.

2. EMPHASIS ON PRIMARY PREVENTION AND INCLUDING AT LEAST ONE OF THREE

PRIMARY PREVENTION STRATEGIES: HEALTH PROMOTION, DISEASE PREVENTION, AND

HEALTH PROTECTION. HEALTH PROMOTION ENTAILS ENCOURAGING HEALTHY

Part VI Supplemental Information

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LIFESTYLES; DISEASE PREVENTION FOCUSES ON INDIVIDUALS IDENTIFIED AS AT-RISK FOR HEALTH PROBLEMS; HEALTH PROTECTION ACTIVITIES INFLUENCE THE ENVIRONMENT TO SUPPORT HEALTHY BEHAVIORS.

3. PROGRAMS SHOULD DEVELOP EVIDENCE-BASED LINKS BETWEEN CLINICAL SERVICES AND HEALTH IMPROVEMENT ACTIVITIES DELIVERED BOTH INSIDE AND OUTSIDE THE HOSPITAL.

4. PROGRAMS SHOULD FOCUS ON TARGETING CHARITABLE RESOURCES THAT MOBILIZE AND BUILD CAPACITY WITHIN EXISTING COMMUNITY ASSETS WHILE MINIMIZING DUPLICATION OF EFFORT.

5. PROGRAMS SHOULD EMPHASIS COLLABORATION WITH COMMUNITY STAKEHOLDERS.

COMMUNITY INVOLVEMENT IN GOVERNANCE AND ADVISORY GROUPS

COMMUNITY ENGAGEMENT IN THE PLANNING, IMPLEMENTATION AND EVALUATION OF LMW HEALTHCARE'S INITIATIVES IS OF UTMOST IMPORTANCE. THE BOARD OF DIRECTORS IS MADE UP OF COMMUNITY LEADERS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE. THEY ARE INVOLVED IN THE STRATEGIC

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PLANNING, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP AMONG OTHER RESPONSIBILITIES. OUR CORPORATORS ARE OUR COMMUNITY-LIAISONS AND REPRESENT ALL SECTORS OF OUR COMMUNITIES PROVIDING INPUT AND FEEDBACK REGULARLY. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM

THE ENTITIES OF L+M HEALTHCARE INCLUDE L+M HOSPITAL, THE L+M MEDICAL GROUP (L+MMG, PHYSICIAN PRACTICES), THE VISITING NURSE ASSOCIATION OF SOUTHEASTERN CT (VNASC), AND LMW HEALTHCARE (RHODE ISLAND) EACH OF WHICH HAVE A ROLE IN PROMOTING THE HEALTH OF OUR COMMUNITIES. THE WESTERLY AND L+M HOSPITALS' ROLES ARE: IMPLEMENTING COMMUNITY HEALTH IMPROVEMENT ACTIVITIES, PROVIDING OPPORTUNITIES FOR HEALTH PROFESSIONS STUDENTS, ENSURING ACCESS TO CARE, PROMOTING PRIMARY PREVENTIVE CARE, PROVIDING SUBSIDIZED HEALTH SERVICES AND SERVING AS A SAFETY NET PROVIDER. VNASC CARES FOR EVERYONE FROM THE ELDERLY WHO WISH TO REMAIN IN THEIR HOMES FOR

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AS LONG AS THEY CAN AND PATIENTS RECOVERING FROM SURGERY OR ILLNESS, TO NEW MOTHERS, SCHOOLCHILDREN, AND THE HOMELESS USING THE MOST CURRENT MEDICAL ADVANCES AND TECHNOLOGIES IN HOME HEALTHCARE, AND STRENGTHEN COMMUNITY RESOURCES FOR EVERYONE. L+MMG, THROUGH ITS PATIENT-CENTERED MEDICAL HOME PRIMARY CARE AND SPECIALTY PRACTICES PROVIDES DIAGNOSTIC, THERAPEUTIC AND PREVENTIVE HEALTH CARE THROUGH PHYSICIANS OF FAMILY PRACTICE, INTERNAL MEDICINE, PEDIATRICS, DERMATOLOGY, ENDOCRINOLOGY, GENERAL SURGERY, ORTHOPEDIC SURGERY, NEUROSURGERY, BREAST AND RECONSTRUCTIVE SURGERY, NEUROLOGY, REHABILITATION MEDICINE, OBSTETRICS, GYNECOLOGY, CARDIOLOGY AND INTERVENTIONAL PAIN MANAGEMENT IN MULTIPLE LOCATIONS THROUGHOUT SOUTHEASTERN CT AND SOUTHWESTERN RI.

SCHEDULE H, PART VI, LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT:

LMW HEALTHCARE FILES ITS COMMUNITY BENEFIT REPORT IN RHODE ISLAND ONLY.

THE L+M HEALTHCARE AFFILIATED ORGANIZATION, L+M HOSPITAL, FILES REPORTS IN CONNECTICUT.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
I.MW HEALTHCARE, INC

Employer identification number
46-0543230

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain 1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? 2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? 4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? 4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? 5a		X
b	Any related organization? 5b		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? 6a		X
b	Any related organization? 6b		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III 7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III 8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? 9		

JSA
2E1290 1.000
2647GN 7377

DOHP1332

Schedule J (Form 990) 2012

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
BRUCE D. CUMMINGS	(i)	0	0	0	0	0	0	0
1 PRESIDENT	(ii)	534,064.	86,169.	18,782.	79,826.	15,050.	733,891.	0
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

JSA
2E1291 1.000

2647GN 7377

DOHP1333

Part III Supplemental Information

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

FORM 990, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL, A RELATED ORGANIZATION, ESTABLISHED A SECTION 457(F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AND AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED ANNUALLY. PLAN AMOUNTS ARE SUBJECT TO FORFEITURE AND/OR PAYMENT ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. DURING 2012 SECTION 457(F) CONTRIBUTIONS WERE CREDITED AS FOLLOWS TOWARDS THE PLAN:

BRUCE D. CUMMINGS $69,826

DOHP1334

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

FORM 990, PAGE 1, LINE A

ON JUNE 1, 2013, LAWRENCE AND MEMORIAL CORPORATION COMPLETED THE ACQUISITION OF CERTAIN ASSETS AND LIABILITIES OF WESTERLY HOSPITAL, THROUGH ITS SOLE MEMBER, LMW HEALTHCARE, INC, WHICH COMMENCED OPERATIONS AT THAT TIME.

FORM 990, PART III, LINE 4

LMW HEALTHCARE, INC PROVIDES QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY LMW HEALTHCARE, WE RECOGNIZES THAT NOT ALL PERSONS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES: AND, FURTHER WE BELIEVE THAT A PART OF OUR MISSION IS TO CARE FOR THE MEDICALLY UNDER-SERVED IN OUR COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION. IN KEEPING WITH OUR HOSPITAL'S MISSION OF "PROVIDING MEDICAL CARE TO ADULTS AND CHILDREN IN THE WESTERLY, RHODE ISLAND COMMUNITY AND SURROUNDING TOWNS, WE PROVIDE:

-FREE CARE AND/ OR SUBSIDIZED CARE
-CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS BELOW COST.
-A RANGE OF HEALTH CARE ACTIVITIES, PROGRAMS AND SERVICES TO SUPPORT OUR COMMUNITY.

DURING THE YEAR ENDED SEPTEMBER 30, 2013(4 MONTHS) LMW HEALTHCARE SERVED

Name of the organization: LMW HEALTHCARE, INC

Employer identification number: 46-0543230

979 HOSPITALIZED PATIENTS AND 7,580 PATIENTS THOUGH OUR EMERGENCY ROOM. IN ADDITION WE PERFORMED 124,045 LAB TESTS AND 14,651 IMAGING PROCEDURES ON AN OUPATIENT BASIS.

FORM 990, PART VI, LINE 6

L&M CORPORATION IS THE SOLE MEMBER OF LMW HEALTHCARE, INC.

FORM 990, PART VI, LINE 7A

L&M CORPORATION, AS SOLE MEMBER OF LMW HEALTHCARE, INC., SHALL ELECT THE BOARD OF DIRECTORS.

FORM 990, PART VI, LINE 11A

WORKING WITH A PAID PREPARER, A FORM 990 IS PREPARED. LMW HEALTHCARE'S FORM IS THEN REVIEWED BY THE HOSPITAL'S INTERNAL MANAGEMENT. THE COMPLETED FORM IS PROVIDED TO ALL MEMEBERS OF THE BOARD OF DIRECTORS PRIOR TO THE FORM BEING FILE WITH THE IRS.

FORM 990, PART VI, LINE 12

LMW HEALTHCARE REQUIRES THAT ALL BOARD MEMEBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY LMW'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

THE OFFICER'S COMPENSATION AND BENEFITS REPORTED IN PART VII ARE

Name of the organization: LMW HEALTHCARE, INC

Employer identification number: 46-0543230

DETERMINED BY L&M HOSPITAL. L&M HOSPITAL'S EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGEMENT AND KEY EMPLOYEES. UTILIZING INDEPENDENT COMPENSATION CONSULTANTS, THE EXECUTIVE COMPENSATION COMMITTEE MAKES ITS RECOMMENDATIONS. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES.

FORM 990, PART VI, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 9

INHERENT CONTRIBUTION RECEIVED FROM

PURCHASE OF WESTERLY HOSPITAL $26,643,445

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL CORPORATION 22-2553028 365 MMONTAUK AVENUE NEW LONDON, CT 06320	SUPPORT	CT	501(C)(3)	11 TYPE I	N/A		X
(2) LAWRENCE & MEMORIAL FOUNDATION, INC 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(3) L&M HEALTHCARE, INC 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SE CT 20-8006123 404 THAMES STREET GROTON, CT 06340	PHYS PRACTICE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(5) VISITING NURSE ASSOCIATE OF SE CT 06-0646616 403 N FRONTAGE ROAD WATERFORD, CT 06385	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION INC 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(7) LAWRENCE & MEMORIAL HOSPITAL 06-0646704 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	3	L&M CORP	X	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LMW HEALTHCARE, INC

Employer identification number
46-0543230

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

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

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION, INC 05-0508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 TYPE I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M SYSTEMS, INC 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	N/A	C CORP				X	
(2) L&M HOMECARE SEVICES, INC 365 MONTAUK AVENUE NEW LONDON, CT 06320	THERAPY	CT	N/A	C CORP				X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CAYMAN ISLANDS, CJ	INSURANCE	CJ	N/A	C CORP				X	
(4)									
(5)									
(6)									
(7)									

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o		X
p Reimbursement paid to related organization(s) for expenses	1p	X	
q Reimbursement paid by related organization(s) for expenses	1q		X
r Other transfer of cash or property to related organization(s)	1r		X
s Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	THE WESTERLY HOSPITAL FOUNDATION	P	64,466.	EXPENSES PAID
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

DOHP1342

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2013 and 2012

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2013 and 2012

	Page(s)
Report of Independent Auditors	1-2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–27
Consolidating Supplemental Information	
Consolidating Balance Sheets	28–31
Consolidating Statements of Operations	32–33

Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $18,372,801 and $16,783,939 as of September 30, 2013 and September 30, 2012, respectively, and total revenues of $14,990,091 and $14,726,801 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Corporation's preparation and fair presentation of the

PricewaterhouseCoopers LLP, 185 Asylum Street, Suite 2400, Hartford, CT 06103-3404
T: (860) 241 7000, F: (860) 241 7590, www.pwc.com/us

consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2013 and September 30, 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 28 through 33, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations. However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

January 10, 2013

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 11,532,247	$ 15,956,015
Investments	181,339,986	207,930,544
Patient accounts receivable, net of allowance for doubtful accounts of $6,158,515 and $7,078,212, respectively	42,732,035	32,312,475
Other receivables	7,868,879	6,898,102
Inventories	7,501,154	4,503,709
Prepaid expenses and other current assets	3,557,507	3,094,289
Debt service fund	1,306,255	1,307,110
Total current assets	255,838,063	272,002,244
Assets limited as to use		
Cash	182,366	180,789
Construction fund	9,541,685	-
Investments held in trust	985,034	1,471,261
Endowment investments	34,155,796	24,574,488
Funds held in trust by others	10,956,429	8,451,420
Contributions receivable	2,702,993	1,158,095
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,255	2,247,125
Total assets limited as to use	60,771,558	36,083,178
Intangibles assets, net	3,352,875	-
Deferred financing costs and other assets, net	1,776,178	1,857,504
Property, plant and equipment, net	208,182,039	148,493,609
	$ 529,920,711	$ 458,436,535
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 40,933,051	$ 27,382,558
Accrued vacation and sick pay	12,580,707	12,710,157
Salaries, wages, payroll taxes and amounts withheld from employees	10,101,654	5,389,708
Due to third party payors	5,870,981	5,646,905
Other current liabilities	123,017	358,122
Current portion of long-term debt	9,347,876	2,762,007
Total current liabilities	78,957,286	54,249,457
Accrued pension and other postretirement benefits	42,309,345	51,185,800
Other liabilities	21,676,677	20,384,647
Long-term debt less current portion	101,001,797	79,507,217
Total liabilities	243,945,105	205,327,121
Net assets		
Unrestricted	246,531,146	226,133,341
Temporarily restricted	24,154,982	21,084,266
Permanently restricted	15,289,478	5,891,807
Total net assets	285,975,606	253,109,414
	$ 529,920,711	$ 458,436,535

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statement of Operations
September 30, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 372,745,739	$ 354,042,019
Provision for bad debt	(14,555,970)	(12,408,255)
Net revenue less provision for bad debt	358,189,769	341,633,764
Other operating revenues	21,448,860	14,772,422
Net assets released from restriction used for operations	748,784	1,308,521
Total unrestricted revenues, gains and other support	380,387,413	357,714,707
Expenses		
Salaries and wages	193,780,844	180,787,943
Employee benefits	49,062,244	45,920,442
Supplies	49,529,083	49,112,557
Purchased services	32,278,640	27,928,678
Other	37,265,822	31,685,722
Interest	2,865,011	2,316,341
Depreciation and amortization	23,023,433	19,255,553
Total expenses	387,805,077	357,007,236
(Loss)/income from operations	(7,417,664)	707,471
Nonoperating gains		
Unrestricted investment income	122,109	160,370
Income from investments	7,752,127	6,853,490
Inherent contribution received from purchase of Westerly Hospital	1,796,782	-
Total nonoperating gains	9,671,018	7,013,860
Excess of revenues over expenses	2,253,354	7,721,331
Net unrealized gains on investments	12,046,855	14,630,156
Net assets released from restrictions used for purchase of property, plant and equipment	167,751	136,178
Transfer of net assets to L & M Indemnity	-	(1,673,732)
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	$ 20,397,805	$ 10,062,689

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
September 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Excess of revenues over expenses	$ 2,253,354	$ 7,721,331
Net unrealized gains on investments	12,046,855	14,630,156
Net assets released from restrictions used for purchase of property, plant and equipment	167,751	136,178
Transfer of net assets to L & M Indemnity	-	(1,673,732)
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	20,397,805	10,062,689
Beginning of year unrestricted net assets	226,133,341	216,070,652
End of year unrestricted net assets	$ 246,531,146	$ 226,133,341
Temporarily restricted net assets		
Income from investments	$ 668,022	$ 357,100
Net assets released from restrictions	(916,535)	(1,444,699)
Inherent contribution received from purchase of Westerly Hospital	871,209	
Contributions received	506,462	880,693
Change in value of funds held in trust by others	1,701,848	1,877,872
Net realized and unrealized gains on investments	239,710	488,575
Increase in temporarily restricted net assets	3,070,716	2,159,541
Temporarily restricted net assets		
Beginning of year	21,084,266	18,924,725
End of year	$ 24,154,982	$ 21,084,266
Permanently restricted net assets		
Income from investments	$ 13,823	$ -
Inherent contribution received from purchase of Westerly Hospital	9,343,478	-
Contributions received	22,888	-
Change in value of funds held in trust by others	17,482	354,949
Increase in permanently restricted net assets	9,397,671	354,949
Permanently restricted net assets		
Beginning of year	5,891,807	5,536,858
End of year	15,289,478	5,891,807
Increase in net assets	$ 32,866,192	$ 12,577,179

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	$ 32,866,192	$ 12,577,179
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	23,023,433	19,255,553
Net unrealized and realized gains on investments	(13,495,284)	(15,197,004)
Inherent contribution received from purchase of Westerly Hospital	(12,011,469)	-
Provision for bad debts	14,555,970	12,408,255
Increase in funds held in trust by others	(257,193)	(843,487)
Increase in contributions receivable	(794,898)	(270,627)
Restricted contributions	(1,174,484)	(1,237,793)
Changes in other operating accounts		
Patient accounts receivable, net	(20,317,347)	(12,601,784)
Other receivables, net	(970,777)	(2,303,561)
Inventories	(1,447,315)	48,902
Prepaid expenses and other current assets	(137,568)	(753,883)
Deferred financing costs and other assets	81,328	81,329
Accounts payable	(2,523,188)	4,658,535
Accrued vacation and sick pay	(1,558,312)	1,004,346
Salaries, wages, payroll taxes and amounts withheld from employees	3,652,618	1,812,014
Due to affiliates	-	(98,310)
Due to third party payors	(1,632,875)	(2,394,117)
Pension, postretirement and other liabilities	(9,245,208)	14,158,664
Net cash provided by operating activities	8,613,623	30,304,211
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(50,503,163)	(34,610,790)
Purchases of investments	(78,938,843)	(147,075,307)
Sales of investments	107,257,276	125,359,995
Purchase of Westerly Hospital	(14,535,558)	-
Decrease/(increase) in debt service fund	855	(197,218)
(Decrease)/increase in funds held in escrow	(130)	245
Net cash used in investing activities	(36,719,563)	(56,523,075)
Cash flows from financing activities		
Restricted contributions	1,174,484	1,237,793
Principal payments of long term debt	(2,938,881)	(2,957,189)
Proceeds of long term debt	25,446,569	-
Net cash provided by/(used in) financing activities	23,682,172	(1,719,396)
Net decrease in cash and cash equivalents	(4,423,768)	(27,938,260)
Cash and cash equivalents		
Beginning of year	15,956,015	43,894,275
End of year	$ 11,532,247	$ 15,956,015
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 2,105,176	$ 3,126,751
Contributed securities	$ 1,174,484	$ 1,237,793

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, The Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

As part of the purchase agreement the Corporation agreed to fund $30 million in capital costs for Westerly Hospital over five years after the closing, and agreed to provide up to $6.5 million of working capital for Westerly Hospital over the first two years after the closing.

The fair value of assets and liabilities acquired under this transaction as of June 1, 2013 are as follows:

	2013
Cash	$ 1,563,200
Patient accounts receivable	4,658,183
Inventories	1,550,130
Pledges	750,000
Prepaid expenses	325,650
Investments	6,870,933
Assets held in trust	4,247,816
Intangible assets	3,690,000
Property, plant & equipment	30,850,000
Total assets	54,505,912
Accrued compensation	2,488,190
Accounts payable and accrued expenses	15,052,105
Due to third parties	1,856,951
Asset retirement obligation	1,425,678
Debt	5,572,761
Total liabilities	26,395,685
Net assets acquired	$ 28,110,227

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation is preliminary and may get adjusted as additional information is obtained.

Intangible assets acquired in conjunction with the Westerly acquisition include:

	Fair value as of June 1, 2013	Amortization period (in years)	
Patient relationships	$ 1,530,000	10.0	
Medical records	1,350,000	10.0	
Trademark	810,000	8.0	
	$ 3,690,000	9.5	(weighted average)

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by

engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2013 or 2012.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts,

unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 10, 2014, which is the date the financial statements were issued.

The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. Contract negotiations will be resumed in February 2014. In response to the strike, the Hospital initially curtailed services in its Intensive Care Unit and for elective surgeries, both of which are being gradually returned to full service. The Hospital is monitoring the negative impact of the strike and lockout on both revenues and expenses. Negotiations with the two unions are ongoing, however, no assurance can be given regarding the outcome of such negotiations.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2013	2012
Gross charges from services to patients	$ 837,486,803	$ 742,404,745
Less: Charity care	7,772,037	5,942,442
Charges from services to patients, net of charity care	829,714,766	736,462,303
Deductions		
Allowances	455,921,391	384,999,411
State of Connecticut uncompensated care system (receipts)	1,047,636	(2,579,127)
Total deductions	456,969,027	382,420,284
Net revenues from services to patients	$ 372,745,739	$ 354,042,019

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. The impact to L + M Hospital in Fiscal Year 2013 is a reduction of $3,000,000, with further reductions expected to occur in Fiscal Year 2014 and 2015. In 2013, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Fiscal year 2013 resulted in a decrease in net revenue whereas fiscal year 2012 was an increase to net revenue.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $1,126,576 and $4,271,085 in 2013 and 2012, respectively.

During 2013 and 2012, approximately 33%, respectively, of net patient service revenue was received under the Medicare program, and 12% and 11%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenues for financial reporting purposes.

3. Investments

Investments included in current assets consist of the following:

	2013	2012
Endowment investments		
Cash and cash equivalents	$ 3,785,088	$ 464,020
Bonds	4,823,170	4,338,010
Mutual funds	13,492,698	11,929,272
Hedge funds	5,961,109	5,272,803
Private equities	112,204	48,848
Marketable equities	5,981,527	2,521,535
Total endowment investments	34,155,796	24,574,488
Funds held in trust by others		
Investments held in trust by others	10,956,429	6,451,420
Total funds held in trust by others	10,956,429	6,451,420
Investments		
Cash and cash equivalents	3,618,554	13,176,141
Bonds	38,890,479	75,259,899
Mutual funds	2,172,231	2,951,720
Hedge funds	54,766,338	49,723,327
Private equities	1,884,631	438,410
Marketable equities	80,007,753	66,381,047
Total investments	181,339,986	207,930,544
Total investments at fair value	$ 226,452,211	$ 238,956,452

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment investments				
Cash and cash equivalents	$ 3,785,088	$ -	$ -	$ 3,785,088
Bonds	3,185,997	1,425,678	211,495	4,823,170
Mutual funds	12,044,760	-	1,447,938	13,492,698
Hedge funds	-	-	5,961,109	5,961,109
Private equities	-	-	112,204	112,204
Marketable equities	5,981,527	-	-	5,981,527
Total pooled endowment funds	24,997,372	1,425,678	7,732,746	34,155,796
Funds held in trust by others				
Investments held in trust by others	-	-	10,956,429	10,956,429
Total held in trust by others	-	-	10,956,429	10,956,429
Other investments				
Cash and cash equivalents	3,618,554	-	-	3,618,554
Bonds	32,082,552	6,807,927	-	38,890,479
Mutual funds	2,172,231	-	-	2,172,231
Hedge funds	-	-	54,766,338	54,766,338
Private equities	-	-	1,884,631	1,884,631
Marketable equities	80,007,753	-	-	80,007,753
Total other investments	117,881,090	6,807,927	56,650,969	181,339,986
Total investments at fair value	$ 142,878,462	$ 8,233,605	$ 75,340,144	$ 226,452,211

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment investments				
Cash and cash equivalents	$ 464,020	$ -	$ -	$ 464,020
Bonds	3,995,977		342,033	4,338,010
Mutual funds	11,143,120	-	786,152	11,929,272
Hedge funds	-	-	5,272,803	5,272,803
Private equities	-	-	48,848	48,848
Marketable equities	2,521,535	-	-	2,521,535
Total pooled endowment funds	18,124,652	-	6,449,836	24,574,488
Funds held in trust by others				
Investments held in trust by others	-	-	6,451,420	6,451,420
Total held in trust by others	-	-	6,451,420	6,451,420
Other investments				
Cash and cash equivalents	13,176,141	-	-	13,176,141
Bonds	75,259,899	-	-	75,259,899
Mutual funds	2,951,720	-	-	2,951,720
Hedge funds	-	-	49,723,327	49,723,327
Private equities	-	-	438,410	438,410
Marketable equities	66,381,047	-	-	66,381,047
Total other investments	157,768,807	-	50,161,737	207,930,544
	$ 175,893,459	$ -	$ 63,062,993	$ 238,956,452

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 56,124,316	$ 354,977	$ 1,118,631	$ 5,509,944	$ (131,712)	$ 1,037,785	$ (1,627,061)	$ 52,366,880
Private equities	487,257	-	67,055	122,281	(63,590)	1,398,632	(15,000)	1,996,635
Funds held in trust	6,451,420	-	-	322,158	(84,985)	4,247,816	-	10,936,429
Total	$ 63,062,993	$ 354,977	$ 1,185,686	$ 5,954,383	$ (280,287)	$ 6,684,433	$ (1,642,061)	$ 75,340,144

	Beginning October 1, 2011	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2012
Investment pool								
Hedge funds	$ 52,597,785	$ 373,856	$ 2,177,075	$ 1,533,011	$ (110,436)	$ 13,343,876	$ (13,790,853)	$ 56,124,315
Private equities	94,308	-	128	3,359	(53,624)	443,086	-	487,257
Funds held in trust	5,607,933	-	-	843,487	-	-	-	6,451,420
Total	$ 58,300,024	$ 373,856	$ 2,177,203	$ 2,379,857	$ (164,060)	$ 13,786,962	$ (13,790,853)	$ 63,062,993

There were no significant transfers of assets between levels for the year ended September 30, 2013.

A summary of the endowment investment return is presented below:

	2013	2012
Investment income	$ 649,876	$ 610,571
Realized and unrealized gains	2,225,435	2,657,538
Management fees and other costs	(47,805)	(31,626)
Total return on endowment investments	$ 2,827,506	$ 3,236,483

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2013.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 14,809,398	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	18,481,073	7	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	23,046,230	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	5,488,182	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	1,981,731	2	N/A		Illiquid long term 5 years	None	None	None
		$ 64,366,611							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.
- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043
Addition of Westerly Hospital Endowment Net Assets	1,714,560	810,769	4,345,662	6,870,991
Investment return				
Investment income	287,500	161,761	(748)	448,513
Net realized and unrealized gain	451,980	1,701,848	14,570	2,168,398
Contributions	126,620	-	22,888	149,508
Total investment return	866,100	1,863,609	36,710	2,766,419
Income distribution	-	(129,592)	-	(129,592)
Endowment net assets at end of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 5,952,776	$ 11,788,979	$ 2,866,683	$ 20,608,438
Investment return				
Investment income	436,096	91,840	-	527,936
Net realized and unrealized (loss)/gain	288,052	1,877,872	-	2,165,924
Total investment return	724,148	1,969,712	-	2,693,860
Income distribution	-	(125,255)	-	(125,255)
Endowment net assets at end of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2013	2012
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 16,178,222	$ 13,633,436
Total endowment funds classified as temporarily restricted net assets	$ 16,178,222	$ 13,633,436
Permanently restricted net assets		
Corpus of permanently restricted contributions for purchase of equipment and healthcare services	$ 7,249,055	$ 2,866,683
Total endowment funds classified as permanently restricted net assets	$ 7,249,055	$ 2,866,683

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2013 and 2012.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2013 and 2012:

	2013	2012
Temporarily restricted net assets		
Funds held in trust by others	$ 3,687,812	$ 3,448,102
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	15,304,434	13,633,436
Specific purpose reserves	5,142,370	3,982,362
	$ 24,154,982	$ 21,084,266

Permanently restricted net assets at September 30, 2013 and 2012 are restricted to:

	2013	2012
Permanently restricted net assets		
Funds held in trust by others	$ 7,290,422	$ 3,025,124
Donor restricted endowment funds	7,999,056	2,866,683
	$ 15,289,478	$ 5,891,807

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2013	2012
Land and land improvements	$ 21,524,487	$ 18,000,459
Buildings	138,297,388	118,209,994
Equipment	252,682,233	217,351,555
	412,504,108	353,562,008
Less: Accumulated depreciation	(250,099,034)	(227,405,684)
	162,405,074	126,156,324
Construction in progress (estimated cost to complete at September 30, 2013 is $17,612,963 unaudited)	45,776,965	22,337,285
	$ 208,182,039	$ 148,493,609

7. Long-Term Debt

	2013	2012
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 33,625,000	$ 36,250,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	22,990,000	22,990,000
Line of credit	18,663,400	-
Tax exempt lease	11,596,368	-
Capital lease obligation	1,010,148	448,826
Total debt outstanding	107,689,916	79,493,826
Less: Amounts classified as current	9,347,876	2,762,007
Add: Bond premium	2,659,757	2,775,398
Total long-term portion of long-term debt	$ 101,001,797	$ 79,507,217

On September 15, 2011 the Connecticut Health and Education Facilities Authority (CHEFA) issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st commencing July 1, 2013. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 beginning January 1, 2012.

On June 24, 2004 CHEFA issued $22,990,000 of Series E Bonds (the "Series E Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series E Bond agreements). The Series E Bonds are structured with a term bond due July 1, 2034, with annual sinking fund payments due each July 1st commencing July 1, 2003. Interest on the Series E Bonds accrues at the weekly rate and is payable on the first business day of each month commencing July 1, 2004.

Under the terms of the trust indenture for the Series E Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series E bonds. The bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts (as defined) and certain real property of the Hospital and Corporation.

The Series E Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Corporation maintains a letter of credit in the amount of $22,900,000 which expires on December 31, 2014. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are equal quarterly installments beginning in the first quarter that is at least 367 days after the initial draw down on the letter of credit. The Series E Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

In accordance with the long-term loan agreement with CHEFA, certain trustee funds are required to be maintained. These funds provide for debt service and other related payments. The income derived from these funds is required to be reinvested in the trustee funds and is not available for current operating purposes.

The fair value of the Series E Bonds, using discounted cash flow analyses, approximates carrying value. The fair value of the Series F Bonds using discounted cash flows was $55,830,117.25 and $62,036,108.50 for years ending September 30, 2013 and September 30, 2012 respectively.

The tax exempt lease (the "Easy Loan") was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This loan will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

The Corporation has a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare has a line of credit

with Washington Trust for $4,860,642. This line was reissued at time of closing but has been paid off as a subsequent event in November 2013.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $30,000,000 with an interest of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038. On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank.

Principal repayments, excluding capital leases and the line of credit, are as follows:

Years	Annual Principal Repayment
2014	$ 2,725,000
2015	2,835,000
2016	2,975,000
2017	3,130,000
2018 and thereafter	64,755,000
	$ 76,420,000

Cash interest payments of $2,682,472 and $2,118,293 were made in fiscal year 2013 and 2012, respectively. No interest was capitalized during 2013 and 2012.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2013 and 2012 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	$ 147,201,452	$ 126,663,537	$ 1,289,208	$ 1,167,001
Service cost	1,536,115	1,555,388	-	-
Interest cost	5,685,930	6,610,881	31,620	59,302
Employee contributions	90,611	118,336	-	-
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Actuarial (gain)/loss	(2,133,477)	18,467,849	(212,291)	186,929
Benefit obligation at end of year	145,789,789	147,201,452	1,000,744	1,289,208
Change in plan assets				
Fair value of plan assets at beginning of year	98,298,309	85,487,585	-	-
Actual return on plan assets	7,682,270	11,886,927	-	-
Employee contributions	90,611	118,336	-	-
Employer contributions	6,400,000	7,020,000	107,793	124,024
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Fair value of plan assets at end of year	105,860,348	98,298,309	-	-
Funded status of the plan	(39,929,441)	(48,903,143)	(1,000,744)	(1,289,208)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	37,008,625	42,795,831	(456,751)	(289,508)
Unrecognized prior service cost	190,310	330,949	-	-
Accrued benefit costs recognized in the statements of operations	$ (2,732,506)	$ (5,776,363)	$ (1,457,495)	$ (1,578,714)
Components of net periodic benefit costs				
Service cost	$ 1,536,115	$ 1,555,388	$ -	$ -
Interest cost	5,685,930	6,610,881	31,620	59,302
Expected return on plan assets	(7,182,524)	(6,465,227)	-	-
Amortization of net loss/(gain)	3,175,983	2,154,266	(45,048)	(49,599)
Net amortization and deferral	140,639	140,639	-	-
Benefit cost	$ 3,356,143	$ 3,995,947	$ (13,428)	$ 9,703

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2013	2012
Discount rate	3.95 %	5.34 %
Average rate of compensation increases	2.50 %	3.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2013	2012
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2013	2012
Cash	3 %	5 %
Bonds	23	29
Hedge funds	30	29
Marketable equities	44	37
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2013	$ 6,998,164
2014	7,263,769
2015	7,511,189
2016	7,928,299
2017	8,074,614
Expected aggregate for 5 fiscal years beginning 2018	44,653,466

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	108,195

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2013 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $71,000 and $97,000, respectively, at September 30, 2013 and 2012. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $65,000 and $88,000, respectively, at September 30, 2013 and 2012.

Plan Assets
The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,961	$ -	$ -	$ 3,043,961
Bonds	24,488,654	-	-	24,488,654
Hedge funds	-	-	31,893,958	31,893,958
Marketable equities	41,880,187	4,553,588	-	46,433,775
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,348

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2012:

	Level 1	Level 2	Level 3	2012
Investments, at fair value				
Cash	$ 4,711,241	$ -	$ -	$ 4,711,241
Bonds	28,278,732	-	-	28,278,732
Hedge funds	-	-	28,795,536	28,795,536
Marketable equities	32,342,939	4,169,861	-	36,512,800
Total investments, at fair value	$ 65,332,912	$ 4,169,861	$ 28,795,536	$ 98,298,309

There were no transfers between levels during 2013 or 2012.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2013	2012
Beginning balances	$ 28,795,536	$ 26,524,387
Realized gains	33,459	144,819
Fees	(65,081)	(54,861)
Unrealized gains	3,130,044	2,181,191
Purchases	-	5,475,369
Sales	-	(5,475,369)
Ending balances	$ 31,893,958	$ 28,795,536

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,618,626 and $4,270,327 for 2013 and 2012, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $446,631 and $437,911 for the years ended September 30, 2013 and 2012, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2013	2012
Health care services	$ 293,416,325	$ 270,348,417
General and administrative	94,388,752	86,658,819
	$ 387,805,077	$ 357,007,236

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 418,958	$ 129,689	$ -	$ 548,637	$ -	$ 2,024,446	$ 82,453	$ 783,154	$ 8,093,557	$ -	$ 11,532,247
Investments	130,950,162	29,022,418	-	159,972,580	-	-	14,317,990	7,049,416	-	-	181,339,986
Patient accounts receivable,net	33,903,908	-	-	33,903,908	-	2,259,926	-	2,471,162	4,097,039	-	42,732,035
Other receivables	17,671,453	-	-	17,671,453	559,500	1,399,994	922,698	-	-	(12,884,764)	7,668,879
Inventories	5,845,470	-	-	5,845,470	-	13,280	-	-	1,642,404	-	7,501,154
Due from affiliates	1,316,775	24,500	(1,316,775)	24,500	1,867,732	-	-	-	-	(1,892,232)	-
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097	-	586,556	2,893	420,324	291,638	-	3,557,507
Debt service fund	1,306,255	-	-	1,306,255	-	-	-	-	-	-	1,306,255
Total current assets	193,669,088	29,176,587	(1,316,775)	221,528,900	2,427,232	6,284,201	15,326,032	10,724,056	14,124,638	(14,576,996)	255,638,063
Assets limited as to use											
Cash	182,366	-	-	182,366	-	-	-	-	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685	-	-	-	-	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034	-	-	-	-	-	-	985,034
Endowment investments	17,922,954	3,300,079	-	21,223,033	-	-	-	5,961,912	6,970,851	-	34,155,796
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,773,578	-	-	6,773,578	-	-	-	-	4,182,851	-	10,956,429
Contributions receivable	20,366	1,932,627	-	1,952,993	-	-	-	-	750,000	-	2,702,993
Funds held in escrow by agreement with	-	-	-	-	-	-	-	-	-	-	-
State of Connecticut Health and	-	-	-	-	-	-	-	-	-	-	-
Educational Facilities Authority and trustees	2,247,255	-	-	2,247,255	-	-	-	-	-	-	2,247,255
Total assets limited as to use	37,673,238	24,514,153	-	62,187,391	-	-	-	5,961,912	11,903,702	(19,281,447)	60,771,558
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	3,352,875	-	3,352,875
Deferred financing costs and other assets, net	1,776,176	-	-	1,776,176	-	-	-	-	-	-	1,776,176
Property, plant and equipment											
Land improvements	7,343,577	12,330,635	-	19,674,212	-	-	-	330,275	1,520,000	-	21,524,487
Buildings/leasehold improvements	120,101,634	-	-	120,101,634	-	1,339,331	-	2,238,496	14,617,927	-	138,297,388
Equipment/furniture	234,099,872	21,774	-	234,121,646	-	902,509	-	947,778	16,710,300	-	252,682,233
Accumulated depreciation	(245,331,839)	(47,756)	-	(245,379,595)	-	(1,153,898)	-	(1,629,716)	(1,736,025)	-	(250,099,034)
Construction in progress	45,776,965	-	-	45,776,965	-	-	-	-	-	-	45,776,965
Property, plant and equipment, net	161,990,209	12,304,653	-	174,294,862	-	1,088,142	-	1,686,833	31,112,202	-	208,182,039
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 60,493,417	$ (33,858,443)	$ 529,920,711

DOHP1373

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 24,079,687	$ 148,360	$ -	$ 24,228,047	$ -	$ 204,726	$ 75,246	$ 1,470,128	$ 14,954,904	$ -	$ 40,933,051
Accrued vacation and sick pay	11,523,272	-	-	11,523,272	-	1,057,435	-	-	-	-	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	-	-	4,495,457	-	2,351,953	-	-	3,254,244	-	10,101,654
	-	-	-	-	-	-	-	-	-	-	-
Due to affiliates	1,867,732	758,960	(1,316,775)	1,309,917	582,315	-	-	-	-	(1,892,232)	-
Due to third party payors	3,826,094	-	-	3,826,094	-	-	-	251,000	1,793,887	-	5,870,981
Other current liabilities	-	-	-	-	-	-	13,606	109,411	-	-	123,017
Current portion of long-term debt	4,487,234	-	-	4,487,234	-	-	-	-	4,860,542	-	9,347,876
Total current liabilities	50,279,476	907,320	(1,316,775)	49,870,021	582,315	3,614,114	88,852	1,830,539	24,863,677	(1,892,232)	78,957,286
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345	-	-	-	-	-	-	42,309,345
Other liabilities	17,774,823	-	-	17,774,823	-	2,407,115	13,906,589	-	1,425,678	(13,837,528)	21,676,677
Long-term debt less current portion	86,439,477	13,802,758	-	100,242,235	-	-	-	-	759,562	-	101,001,797
Total liabilities	196,803,121	14,710,078	(1,316,775)	210,196,424	582,315	6,021,229	13,995,441	1,830,539	27,048,917	(15,729,760)	243,945,105
Net assets											
Unrestricted	170,160,088	50,282,836	-	220,422,924	1,844,917	1,351,114	1,330,591	16,515,282	23,195,021	(18,126,883)	246,531,146
Temporarily restricted	22,198,248	1,022,479	-	23,220,727	-	-	-	-	934,255	-	24,154,982
Permanently restricted	5,947,254	-	-	5,947,254	-	-	-	27,000	9,315,224	-	15,289,478
Total net assets	198,305,590	51,285,315	-	249,590,905	1,844,917	1,351,114	1,330,591	16,542,282	33,444,500	(18,126,883)	285,975,606
	$ 396,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,821	$ 60,493,417	$ (33,856,643)	$ 529,920,711

DOHP1374

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Assets										
Current assets										
Cash and cash equivalents	$ 13,709,499	$ 907,448	$ -	$ 14,616,947	$ -	$ 502,009	$ 226,549	$ 610,510	$ -	$ 15,956,015
Investments	138,433,838	49,793,622	-	188,227,260	-	-	13,137,835	6,565,649	-	207,930,544
Patient accounts receivable,net	28,946,593	-	-	28,946,593	-	1,246,803	-	2,119,079	-	32,312,475
Other receivables	17,488,730	-	-	17,488,730	509,500	953,158	483,133		(12,536,417)	6,898,102
Inventories	4,469,470	-	-	4,469,470	-	34,239	-	-	-	4,503,709
Due from affiliates	639,799	812,417	(639,799)	812,417	1,633,327	-	-	-	(2,445,744)	-
Prepaid expenses and other current assets	2,004,576	210,000	-	2,214,576	-	531,732	2,862	345,119		3,094,289
Debt service fund	1,307,110	-	-	1,307,110	-	-	-	-	-	1,307,110
Total current assets	206,999,415	51,723,487	(639,799)	258,083,103	2,142,827	3,267,939	13,850,179	9,640,357	(14,982,161)	272,002,244
Assets limited as to use										
Cash	180,789	-	-	180,789	-	-	-	-	-	180,789
Investments held in trust	971,261	500,000	-	1,471,261	-	-	-	-	-	1,471,261
Endowment investments	16,251,376	2,946,028	-	19,197,404	-	-	-	5,377,084	-	24,574,488
Investment in subsidiaries	-	3,182,689	-	3,182,689	-	-	-	-	(3,182,689)	-
Funds held in trust by others	6,451,420	-	-	6,451,420	-	-	-	-	-	6,451,420
Contributions receivable	20,368	1,137,729	-	1,158,095	-	-	-	-	-	1,158,095
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	-	-	2,247,125	-	-	-	-	-	2,247,125
Total assets limited as to use	26,122,337	7,766,446	-	33,888,783	-	-	-	5,377,084	(3,182,689)	36,083,178
Other assets										
Deferred financing costs and other assets, net	1,857,504	-	-	1,857,504	-	-	-	-	-	1,857,504
Property, plant and equipment										
Land improvements	6,573,393	11,096,791	-	17,670,184	-	-	-	330,275	-	18,000,459
Buildings/leasehold improvements	114,978,768	148,821	-	115,127,589	-	869,622	-	2,212,783	-	118,209,994
Equipment/furniture	215,747,098	21,774	-	215,768,872	-	656,294	-	926,389	-	217,351,555
Accumulated depreciation	(224,709,998)	(82,371)	-	(224,792,367)	-	(910,368)	-	(1,702,949)	-	(227,405,684)
Construction in progress	22,337,265	-	-	22,337,265	-	-	-	-	-	22,337,265
Property, plant and equipment, net	134,926,548	11,185,015	-	146,111,563	-	615,548	-	1,766,498	-	148,493,609
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 456,436,535

DOHP1375

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Liabilities and Net Assets										
Current liabilities										
Accounts payable	$ 25,447,360	$ 221,394	$ -	$ 25,668,774	$ -	$ 322,235	$ 63,701	$ 1,327,848	$ -	$ 27,382,558
Accrued vacation and sick pay	12,283,930	-	-	12,283,930	-	426,227	-	-	-	12,710,157
Salaries, wages, payroll taxes and amounts withheld from employees	3,887,888	-	-	3,887,888	-	1,501,820	-	-	-	5,389,708
Due to affiliates	-	-	-	-	-	-	-	-	-	-
Due to third party payors	2,421,244	-	(639,799)	1,781,445	664,299	-	-	-	(2,445,744)	-
Other current liabilities	5,409,556	-	-	5,409,556	-	-	-	237,349	-	5,646,905
Current portion of long-term debt	-	-	-	-	-	-	188,267	169,855	-	358,122
Total current liabilities	2,762,007	-	-	2,762,007	-	-	-	-	-	2,762,007
	52,212,005	221,394	(639,799)	51,793,600	664,299	2,250,282	251,968	1,735,052	(2,445,744)	54,249,457
Accrued pension and other postretirement benefits	51,185,800	-	-	51,185,800	-	-	-	-	-	51,185,800
Other liabilities	17,998,408	-	-	17,998,408	-	1,963,633	13,697,549	-	(13,274,943)	20,384,647
Long-term debt less current portion	79,507,217	-	-	79,507,217	-	-	-	-	-	79,507,217
Total liabilities	200,903,430	221,394	(639,799)	200,485,025	664,299	4,213,915	13,949,517	1,735,052	(15,720,687)	205,327,121
Net assets										
Unrestricted	143,045,328	69,461,527	-	212,506,855	1,478,528	(330,428)	(99,338)	15,021,887	(2,444,163)	226,133,341
Temporarily restricted	20,092,239	992,027	-	21,084,266	-	-	-	-	-	21,084,266
Permanently restricted	5,864,807	-	-	5,864,807	-	-	-	27,000	-	5,891,807
Total net assets	169,002,374	70,453,554	-	239,455,928	1,478,528	(330,428)	(99,338)	15,048,887	(2,444,163)	253,109,414
	$ 369,905,804	$ 70,674,948	$ (639,799)	$ 439,940,953	$ 2,142,827	$ 3,883,487	$ 13,850,179	$ 16,783,939	$ (18,164,850)	$ 458,436,535

DOHP1376

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 315,384,106	$ -	$ -	$ 315,384,106	$ -	$ 21,002,422	$ -	$ 10,960,237	$ 25,398,974	$ -	$ 372,745,739
Provision for bad debt	(12,127,746)	-	-	(12,127,746)	-	(315,036)	-	(75,000)	(2,036,188)	-	(14,555,970)
Net revenue less provision for bad debt	303,256,360	-	-	303,256,360	-	20,687,386	-	10,885,237	23,360,786	-	358,189,769
Other operating revenues	19,592,810	2,685,385	-	22,278,195	552,925	5,172,964	6,080,077	4,104,854	700,630	(17,440,785)	21,448,860
Net assets released from restriction	508,227	240,557	-	748,784	-	-	-	-	-	-	748,784
	323,357,397	2,925,942	-	326,283,339	552,925	25,860,350	6,080,077	14,990,091	24,061,416	(17,440,785)	380,387,413
Operating expenses											
Salaries and wages	149,825,846	-	-	149,825,846	-	26,540,185	-	10,239,995	9,459,006	(2,284,188)	193,780,844
Employee benefits	43,535,428	-	-	43,535,428	-	4,434,983	-	2,693,125	2,642,707	(4,243,999)	49,062,244
Supplies	45,171,409	241,132	-	45,412,541	-	870,017	-	268,625	2,977,900	-	49,529,083
Purchased services	23,622,138	3,294,240	-	26,916,378	19,305	1,859,333	196,254	97,756	5,341,642	(2,152,028)	32,278,640
Other	33,252,775	146,028	-	33,398,803	306,857	5,955,316	4,510,614	1,184,934	1,084,106	(9,174,808)	37,265,822
Interest	2,705,025	39,577	-	2,744,602	-	-	-	-	120,409	-	2,865,011
Depreciation and amortization	20,641,159	38,526	-	20,679,685	-	243,331	-	126,767	1,973,650	-	23,023,433
	318,753,780	3,759,503	-	322,513,283	326,162	39,903,165	4,706,868	14,611,202	23,599,420	(17,855,023)	387,805,077
Income from operations	4,603,617	(833,561)	-	3,770,056	226,763	(14,042,815)	1,373,209	378,889	461,996	414,238	(7,417,664)
Nonoperating gains											
Unrestricted investment income	122,109	-	-	122,109	-	-	-	-	-	-	122,109
Income/(loss) from investments	6,041,461	881,712	-	6,923,173	-	-	198,569	630,012	373	-	7,752,127
Inherent contribution received from purchase of Westerly Hospital	-	-	-		-	-	-	-	17,895,540	(16,098,758)	1,796,782
	6,163,570	881,712	-	7,045,282	-	-	198,569	630,012	17,895,913	(16,098,758)	9,671,018
Excess of revenues over expenses	10,767,187	48,151	-	10,815,338	226,763	(14,042,815)	1,571,778	1,008,901	18,357,909	(15,684,520)	2,253,354
Net unrealized (losses)/gains on investments	9,113,432	2,590,798	-	11,704,230	-	-	(141,849)	484,474	-	-	12,046,855
Transfer to L & M Affiliate	1,136,545	(21,837,640)	-	(20,701,095)	139,626	15,724,357	-	-	4,837,112	-	-
Net assets released from restrictions used for purchases of property and equipment	167,751	-	-	167,751	-	-	-	-	-	-	167,751
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845	-	-	-	-	-	-	5,929,845
Decrease in unrestricted net assets	$ 27,114,760	$ (19,196,691)	$ -	$ 7,916,069	$ 366,389	$ 1,681,542	$ 1,429,929	$ 1,493,375	$ 23,195,021	$ (15,684,520)	$ 20,397,805

DOHP1377

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2012

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 329,278,379	$ -	$ -	$ 329,278,379	$ -	$ 13,740,506	$ -	$ 11,023,034	$ -	$ 354,042,019
Provision for bad debt	(12,114,319)	-	-	(12,114,319)	-	(205,324)	-	(88,612)	-	(12,408,255)
Net revenue less provision for bad debt	317,164,060	-	-	317,164,060	-	13,535,262	-	10,934,422	-	341,633,764
Other operating revenues	11,277,917	2,850,055	-	14,127,972	584,822	2,464,499	4,758,259	3,792,379	(10,955,509)	14,772,422
Net assets released from restriction	449,575	858,946	-	1,308,521	-	-	-	-	-	1,308,521
	328,891,552	3,709,001	-	332,600,553	584,822	15,999,761	4,758,259	14,726,801	(10,955,509)	357,714,707
Operating expenses										
Salaries and wages	152,912,737	-	-	152,912,737	-	19,234,424	-	9,996,589	(1,355,807)	180,787,943
Employee benefits	42,122,837	-	-	42,122,837	109,556	3,410,611	-	2,607,582	(2,330,144)	45,920,442
Supplies	46,248,498	858,934	-	47,107,432	-	763,510	-	1,247,370	(5,755)	49,112,557
Purchased services	24,623,743	2,933,053	-	27,556,796	30,361	1,125,676	198,181	371,566	(1,353,932)	27,928,678
Other	28,877,147	50,749	-	28,927,896	-	4,517,528	4,888,595	-	(6,548,397)	31,685,722
Interest	2,315,992	-	-	2,315,992	156	193	-	-	-	2,316,341
Depreciation and amortization	18,825,589	7,680	-	18,833,269	-	243,914	-	178,370	-	19,255,553
	315,926,543	3,850,416	-	319,776,959	140,103	29,295,956	5,086,776	14,401,477	(11,694,035)	357,007,236
Income from operations	12,965,009	(141,415)	-	12,823,594	444,719	(13,296,175)	(328,517)	325,324	738,526	707,471
Nonoperating gains										
Unrestricted investment income	160,370	-	-	160,370	-	-	-	-	-	160,370
Income/(loss) from investments	4,424,194	1,680,143	-	6,104,337	-	-	88,493	660,660	-	6,853,490
	4,584,564	1,680,143	-	6,264,707	-	-	88,493	660,660	-	7,013,860
Excess of revenues over expenses	17,549,573	1,538,728	-	19,088,301	444,719	(13,296,175)	(240,024)	985,984	738,526	7,721,331
Net unrealized (losses)/gains on investments	11,303,455	2,235,559	-	13,539,014	-	-	20,686	1,070,456	-	14,630,156
Transfer to L & M Affiliate	(16,931,534)	3,184,351	-	(13,747,183)	3,504	12,069,947	-	-	1,673,732	-
Net assets released from restrictions used for purchases of property and equipment	136,178	-	-	136,178	-	-	-	-	-	136,178
Transfer of net assets to L & M Indemnity	-	-	-	-	-	-	-	-	(1,673,732)	(1,673,732)
Pension related changes other than periodic pension cost	(10,751,244)	-	-	(10,751,244)	-	-	-	-	-	(10,751,244)
Decrease in unrestricted net assets	$ 1,306,428	$ 6,958,638	$ -	$ 8,265,066	$ 448,223	$ (1,226,228)	$ (219,338)	$ 2,056,440	$ 738,526	$ 10,062,689

DOHP1378

L+M Hospital

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10/01, 2013, and ending 09/30, 20 14

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: LAWRENCE & MEMORIAL HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: NEW LONDON, CT 06320

D Employer identification number: 06-0646704

E Telephone number: (860) 442-0711

G Gross receipts $ 360,381,252.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.LMHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTH OF THE REGION.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	11.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	7.
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	2,648.
	6	Total number of volunteers (estimate if necessary)	359.
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	2,524,951.
	7b	Net unrelated business taxable income from Form 990-T, line 34	-703,047.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	813,756.	880,130.
	9	Program service revenue (Part VIII, line 2g)	318,911,102.	345,412,898.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,077,778.	9,678,721.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,094,550.	2,321,513.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	328,897,186.	358,293,262.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	187,641,751.	192,997,162.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	108,733.	645.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 838,522.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	124,277,351.	155,434,308.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	312,027,835.	348,432,115.
	19	Revenue less expenses. Subtract line 18 from line 12	16,869,351.	9,861,147.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	393,527,817.	394,458,671.
	21	Total liabilities (Part X, line 26)	194,363,317.	226,249,224.
	22	Net assets or fund balances. Subtract line 21 from line 20	199,164,500.	168,209,447.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ SETH VAN ESSENDELFT VICE PRESIDENT/CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ERIN COUTURE	Erin Couture	08/11/2015		P01390592

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶ 13-4008324

Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110 — Phone no. 617-530-5000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
TO IMPROVE THE HEALTH OF THE REGION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 243,616,475. including grants of $) (Revenue $ 345,020,034.)
SEE SCHEDULE O

4b (Code:) (Expenses $ 1,155,113. including grants of $) (Revenue $ 392,864.)
EDUCATIONAL PROGRAMS

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 244,771,588.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payable to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	199		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a	2,648		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X	
b	If "Yes," enter the name of the foreign country: ▶ NETHERLANDS See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . . If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 11		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . .	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶SETH VAN ESSENDELFT 365 MONTAUK AVENUE, NEW LONDON, CT 06320 860-442-0711

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAY E. ALLEN, DMD	2.00									
TREASURER AS OF 12/13	0	X		X				0	0	0
(2) ULYSSES B. HAMMOND	2.00									
CHAIRMAN UNTIL 12/13	2.00	X		X				0	0	0
(3) CAROL O. RIDGEWAY	2.00									
DIRECTOR	0	X						0	0	0
(4) SCOTT D. BATES	2.00									
VICE CHAIRMAN UNTIL 12/13	4.00	X		X				0	0	0
(5) MARY ELLEN JUKOSKI, EDD	2.00									
VICE CHAIRMAN AS OF 12/13	0	X		X				0	0	0
(6) BRUCE D. CUMMINGS	27.25									
PRESIDENT/CEO	12.75	X		X				586,388.	0	111,145.
(7) HENRY AMDUR, MD	2.00									
PAST PRESIDENT, UNTIL 12/13	38.00	X		X				0	379,835.	21,384.
(8) DONALD J. FELITTO, MD	2.00									
DIRECTOR	4.00	X						27,945.	0	0
(9) DAVID F. REISFELD, MD	2.00									
DIRECTOR	38.00	X						0	330,927.	33,882.
(10) B. MICHAEL RAUH, JR.	2.00									
TRE TO 12/13-DIR AS OF 12/13	0	X		X				0	0	0
(11) JAMES MITCHELL, PHD	2.00									
SECRETARY AS OF 12/13	0	X		X				0	0	0
(12) GRANVILLE MORRIS	2.00									
CHAIRMAN AS OF 12/13	2.00	X		X				0	0	0
(13) SHARON ARNOLD	2.00									
DIRECTOR AS OF 12/13	0	X						0	0	0
(14) NIALL J. DUHIG, MD	2.00									
DIRECTOR AS OF 12/13	0	X						58,200.	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) LUGENE INZANA	24.00									
VP/CFO UNTIL 2/14	16.00			X				339,689.	0	64,510.
(16) MAUREEN ANDERSON, ATTORNEY	32.00									
ASSISTANT SECRETARY	8.00			X				257,757.	0	53,166.
(17) SETH VAN ESSENDELFT	24.00									
VP/CFO AS OF 8/14	16.00			X				0	0	0
(18) JIM MOYLAN	24.00									
INTERIM VP/CFO 2/14 - 7/14	16.00			X				0	0	0
(19) WILLIAM STANLEY	16.00									
VP DEV & COMMUNITY RELATIONS	24.00				X			189,999.	0	45,549.
(20) DANIEL RISSI, MD	32.00									
VP CHIEF MEDICAL OFFICER	8.00				X			382,737.	0	66,098.
(21) KIMBERLY KALAJAINEN	34.00									
VP CHIEF INFORMATION OFFICER	6.00				X			218,437.	0	49,105.
(22) CRISTA DURAND (UNTIL 7/14)	38.00									
VP STRATEGIC PLANNING/MKTG	2.00				X			268,409.	0	54,696.
(23) LAUREN WILLIAMS	38.00									
VP PATIENT CARE SERVICES	2.00				X			246,661.	0	39,652.
(24) DONNA EPPS	38.00									
VP CHIEF HR OFFICER	2.00				X			197,572.	0	22,449.
(25) CHRISTOPHER LEHRACH, MD	34.00									
CHIEF TRANSFORMATION OFFICER	6.00				X			209,144.	0	22,653.
1b Sub-total ▶								672,533.	710,762.	166,411.
c Total from continuation sheets to Part VII, Section A ▶								3,271,981.	0	563,664.
d Total (add lines 1b and 1c) ▶								3,944,514.	710,762.	730,075.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 163

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 36

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) PAMELA KANE	0									
VP PHYSICIANS PRACTICE	40.00					X		223,208.	0	55,161.
(27) GERALDINE RUFFA, MD	40.00									
MEDICAL DIRECTOR, PHYSICIAN	0					X		233,429.	0	11,216.
(28) PAUL CHAUSSE	40.00									
DIRECTOR OF REVENUE CYCLE	0					X		171,598.	0	19,947.
(29) GARY CASS	40.00									
DIRECTOR HR/LABOR RELATIONS	0					X		169,591.	0	28,852.
(30) WARREN B. ROGERS	40.00									
DIRECTOR OF PHARMACY	0					X		163,750.	0	30,610.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 163

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	657,996.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	222,134.			
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a-1f		880,130.			
Program Service Revenue			**Business Code**				
	2a	NET PATIENT SERVICES	900099	318,785,233.	318,785,233.		
	b	LAB TESTING - ORR	900099	2,524,824.		2,524,824.	
	c	PARAMEDIC SERVICES	900099	2,870,412.	2,870,412.		
	d	OTHER PROGRAM SERVICE REVENUE	900099	21,232,429.	21,232,429.		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a-2f		345,412,898.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		9,403,082.		127.	9,402,955.
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	1,330,836.				
	b	Less: rental expenses					
	c	Rental income or (loss)	1,330,836.				
	d	**Net rental income or (loss)**			1,330,836.		1,330,836.
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	2,456,992.	-93,363.			
	b	Less: cost or other basis and sales expenses	2,087,990.				
	c	Gain or (loss)	369,002.	-93,363.			
	d	Net gain or (loss)			275,639.		275,639.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events			0		
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities			0		
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory			0		
		Miscellaneous Revenue	**Business Code**				
	11a	DINING ROOM	900099	990,677.			990,677.
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a-11d		990,677.			
	12	**Total revenue.** See instructions		358,393,262.	342,888,074.	2,524,951.	12,000,102.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,740,368.		3,515,627.	224,741.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	138,603,250.	105,388,782.	32,920,573.	293,895.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,687,128.	2,734,203.	945,300.	7,625.
9 Other employee benefits	36,722,150.	27,231,447.	9,414,763.	75,940.
10 Payroll taxes	10,244,266.	7,596,673.	2,626,408.	21,185.
11 Fees for services (non-employees):				
a Management	0			
b Legal	1,972,752.	489,146.	1,483,606.	
c Accounting	2,810.		2,810.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	645.			645.
f Investment management fees	424,205.		424,205.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	5,613,434.	5,070,746.	542,688.	
12 Advertising and promotion	0			
13 Office expenses	5,482,206.	4,114,298.	1,332,050.	35,858.
14 Information technology	4,462,189.	915,930.	3,534,336.	11,923.
15 Royalties	0			
16 Occupancy	6,860,579.	2,020,308.	4,840,271.	
17 Travel	332,565.	142,214.	190,351.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	3,542,721.	3,542,721.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	22,635,121.	10,884,990.	11,749,744.	387.
23 Insurance	5,568,734.	5,568,734.		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SVCS	32,289,846.	9,729,980.	22,552,741.	7,125.
b MEDICAL & SURGICAL	53,303,927.	53,003,757.	294,244.	5,926.
c EQUIP RENTAL & MAINTENANCE	7,520,012.	5,316,376.	2,203,636.	
d CONSULTING	3,458,663.	184,953.	3,273,710.	
e All other expenses	1,964,544.	836,330.	974,942.	153,272.
25 Total functional expenses. Add lines 1 through 24e	348,432,115.	244,771,588.	102,822,005.	838,522.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		483,541.	2	7,100,538.
	3	Pledges and grants receivable, net		20,366.	3	20,366.
	4	Accounts receivable, net		32,485,521.	4	35,011,996.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		304,200.	7	85,520.
	8	Inventories for sale or use		5,845,470.	8	6,580,752.
	9	Prepaid expenses and deferred charges		2,256,097.	9	2,689,506.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 426,472,926.			
	b	Less: accumulated depreciation	10b 265,615,130.	161,990,209.	10c	160,857,796.
	11	Investments - publicly traded securities		149,858,150.	11	148,362,925.
	12	Investments - other securities. See Part IV, line 11		6,773,578.	12	6,985,614.
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		33,510,685.	15	26,763,658.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		393,527,817.	16	394,458,671.
Liabilities	17	Accounts payable and accrued expenses		37,658,612.	17	41,120,923.
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		88,266,954.	20	111,385,992.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		68,437,751.	25	73,742,309.
	26	**Total liabilities.** Add lines 17 through 25		194,363,317.	26	226,249,224.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		171,018,998.	27	138,729,444.
	28	Temporarily restricted net assets		22,198,248.	28	23,432,028.
	29	Permanently restricted net assets		5,947,254.	29	6,047,975.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		199,164,500.	33	168,209,447.
	34	Total liabilities and net assets/fund balances		393,527,817.	34	394,458,671.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	358,293,262.
2	Total expenses (must equal Part IX, column (A), line 25)	2	348,432,115.
3	Revenue less expenses. Subtract line 2 from line 1	3	9,861,147.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	199,164,500.
5	Net unrealized gains (losses) on investments	5	1,128,066.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-41,944,266.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	168,209,447.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 [ ] A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 [X] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 [ ] A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 [ ] A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 [ ] A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 [ ] An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 [ ] An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a [ ] Type I b [ ] Type II c [ ] Type III-Functionally integrated d [ ] Type III-Non-functionally integrated

e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . [ ]

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HEALTHY START STATE GRANTS 34 EAST TOWN STREET NORWICH, CT 06360	$ 54,060.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2	AIDS PROGRAM STATE GRANT STATE OF CONNECTICUT HARTFORD, CT 06103	$ 97,374.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3	HIGH RISK INFANTS STATE GRANTS 505 HUDSON STREET HARTFORD, CT 06106	$ 71,359.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4	CT BREAST & CERVICAL CANCER STATE GRANTS 410 CAPITAL AVENUE, PO BOX 340308 HARTFORD, CT 06134	$ 100,066.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
5	NURTURING FAMILIES NETWORK STATE GRANTS 450 CAPITOL AVENUE HARTFORD, CT 06106	$ 243,469.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
6	MULTIDISC. INTERVENTION STATE GRANTS STATE OF CONNECTICUT HARTFORD, CT 06103	$ 77,798.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	OCC HEALTH CENTER STATE GRANTS 38 WOLCOTT HILL ROAD WETHERSFIELD, CT 06109	$ 13,870.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
8	GARDINER FAMILY FOUNDATION PO BOX 717 WATERFORD, CT 06385	$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
9	MASHANTUCKET PEQUOT TRIBAL NATION 2 MATTS PATH MASHANTUCKET, CT 06338	$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
10	ESTATE OF LUCILLE P. BALCOM 600 FIFTH AVE NEW YORK, NY 10020-2302	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
11	A/Z CORPORATION PO BOX 370 NORTH STONINGTON, CT 06359	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
12	AUXILIARY OF L&M HOSPITAL 365 MONTAUK AVENUE NEW LONDON, CT 06320	$ 9,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	CITIZENS BANK CONNECTICUT 209 CHURCH STREET NEW HAVEN, CT 06510	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
14	DANAHER LANGNESE, P.C. ATTORNEYS AT LAW CAPITOL PLACE 21 OAK STREET HARTFORD, CT 06106	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
15	COCA-COLA BOTTLING CO. OF SENE, INC. 150 WATERFORD PARKWAY SOUTH WATERFORD, CT 06385	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
16	MYSTIC AQUARIUM/SEA RESEARCH FOUNDATION 55 COOGAN BLVD MYSTIC, CT 06355	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
17	NIXON PEABODY, LLP ATTORNEYS AT LAW 100 SUMMER STREET BOSTON, MA 02110	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
18	NORTHEAST UTILITIES BOX 2957 HARTFORD, CT 06104	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19	PFIZER FOUNDATION VOLUNTEER PROGRAM PO BOX 2072 PRINCETON, NJ 08543	$ 8,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
20	SHIPMAN & GOODWIN, LLP COUNSELORS AT LAW ONE AMERICA ROW HARTFORD, CT 06103	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
21	THE WIRELESS ZONE FOUNDATION FOR GIVING 34 INDUSTRIAL PARK PLACE MIDDLETOWN, CT 06457	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
LAWRENCE & MEMORIAL HOSPITAL	06-0646704

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures . . . . . ▶ $
3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No
4a Was a correction made? . . . . . ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities?	X		42,350.
j	Total. Add lines 1c through 1i			42,350.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of **political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, LINE 1

THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE CONNECTICUT HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION WHICH LOBBY ON BEHALF OF ITS MEMBER ORGANIZATIONS. THESE LOBBYING ACTIVITIES ARE DEFINED AS ASSOCIATIONS COMMUNICATION WITH THE FEDERAL AND STATE GOVERNMENTS TO INFLUENCE LEGISLATION.

THE ORGANIZATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH DO ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES IS ATTRIBUTABLE TO LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	17,922,953.	16,251,377.	14,398,889.	14,741,092.	14,150,668.
b Contributions					
c Net investment earnings, gains, and losses	1,382,314.	1,952,978.	2,146,447.	17,500.	1,282,741.
d Grants or scholarships					
e Other expenditures for facilities and programs	269,234.	239,701.	266,733.	324,466.	652,042.
f Administrative expenses	48,666.	41,701.	27,226.	35,237.	40,275.
g End of year balance	18,987,367.	17,922,953.	16,251,377.	14,398,889.	14,741,092.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ 85.0000 %
b Permanent endowment ▶ 15.0000 %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,464,978.		1,464,978.
b Buildings		144,195,495.	74,047,970.	70,147,525.
c Leasehold improvements		6,714,851.	3,502,056.	3,212,795.
d Equipment		265,024,486.	183,101,232.	81,923,254.
e Other		9,073,116.	4,963,872.	4,109,244.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				160,857,796.

Part VII Investments - Other Securities.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	20,517,048.
(2) DEBT SERVICE FUND	1,304,563.
(3) DEFERRED FINANCING COSTS	2,315,752.
(4) DUE FROM AFFILIATES	2,064,619.
(5) CONSTRUCTION FUND	561,676.
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	26,763,658.

Part X Other Liabilities.
Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes ATTACHMENT 1	
(2) DUE TO THIRD PARTY AGENCIES	5,165,225.
(3) DEFERRED COMPENSATION	23,825.
(4) SELF ASSURANCE RESERVES	3,554,817.
(5) ACCRUED POST RETIREMENT BENEFI	837,437.
(6) ACCRUED PENSION	20,197.
(7) ACCRUED 401K MATCH	856,099.
(8) ACCRUED MIN PENSION LIABILITY	41,478,451.
(9) ASSET RETIREMENT OBLIGATION	509,994.
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	73,742,309.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line 1			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUNCTIONS TO SUPPORT AND PROVIDE INCOME FOR THE FURTHERANCE OF THE HEALTHCARE MISSION OF LAWRENCE & MEMORIAL HOSPITAL.

SCHEDULE D, PART X LINE 2

THE ORGANIZATIONS FINANCIAL STATEMENTS DO NOT INCLUDE A FIN 48 DISCLOSURE.

ATTACHMENT 1

SCHEDULE D, PART X - OTHER LIABILITIES

DESCRIPTION	BOOK VALUE
DUE TO L&M CORPORATION	2,215,430.
DEFERRED FINANCING COST	2,544,115.
MALPRACTICE INSURANCE	16,536,719.
TOTALS	73,742,309.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☒ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		39,510,772.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total.					39,510,772.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)					39,510,772.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

JSA
3E1275 1.000
33042N 7377 V 13-7.15

DOHP1414

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

JSA
3E1276 1.000
33042N 7377 V 13-7.15

DOHP1415

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☒ No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250.0000 %	X	
3b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other ____%	X	
3c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?		X
6b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		2055	1,053,671.		1,053,671.	.30
b Medicaid (from Worksheet 3, column a)		25363	52,916,613.	36,972,233.	15,944,379.	4.58
c Costs of other means-tested government programs (from Worksheet 3, column b)		785	1,636,597.	1,143,472.	493,126.	.14
d Total Financial Assistance and Means-Tested Government Programs		28203	55,606,881.	38,115,705.	17,491,176.	5.02
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	51	8538	2,136,727.	392,864.	1,743,863.	.50
f Health professions education (from Worksheet 5)	15	3823	1,113,320.	3,500.	1,109,820.	.32
g Subsidized health services (from Worksheet 6)	8	6254	4,719,285.	3,011,547.	1,707,738.	.49
h Research (from Worksheet 7)	2		466,151.		466,151.	.13
i Cash and in-kind contributions for community benefit (from Worksheet 8)	8	490	38,481.		38,481.	.01
j Total. Other Benefits	84	19105	8,473,964.	3,407,911.	5,066,053.	1.45
k Total. Add lines 7d and 7j	84	47308	64,080,845.	41,523,616.	22,557,229.	6.47

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	2	752	42,429.		42,429.	.01
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	3		6,982.		6,982.	
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	5	752	49,411.		49,411.	.01

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 12,763,924.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 382,918.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	116,008,773.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	136,596,437.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-20,587,664.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other			

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 LAWRENCE & MEMORIAL HOSPITAL 365 MONTAUK AVE NEW LONDON CT 06320 WWW.LMHOSPITAL.ORG 0047	X	X					X	X		
2										
3										
4										
5										
6										
7										
8										
9										
10										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group LAWRENCE & MEMORIAL HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

	Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		Yes	No
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9.	1	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[ ] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[ ] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[X] Other (describe in Section C)			
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4		X
5	Did the hospital facility make its CHNA report widely available to the public?	5	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[X] Hospital facility's website (list url): WWW.LMHOSPITAL.ORG			
b	[ ] Other website (list url):			
c	[X] Available upon request from the hospital facility			
d	[X] Other (describe in Section C)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	[X] Execution of the implementation strategy			
c	[ ] Participation in the development of a community-wide plan			
d	[ ] Participation in the execution of a community-wide plan			
e	[ ] Inclusion of a community benefit section in operational plans			
f	[ ] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	[X] Prioritization of health needs in its community			
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Section C)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy LAWRENCE & MEMORIAL HOSPITAL

			Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %			
	If "No," explain in Section C the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing *discounted* care?	11	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
	If "No," explain in Section C the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	[X] Income level			
b	[X] Asset level			
c	[X] Medical indigency			
d	[ ] Insurance status			
e	[X] Uninsured discount			
f	[ ] Medicaid/Medicare			
g	[ ] State regulation			
h	[ ] Residency			
i	[ ] Other (describe in Section C)			
13	Explained the method for applying for financial assistance?	13	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[ ] The policy was posted on the hospital facility's website			
b	[ ] The policy was attached to billing invoices			
c	[ ] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	[ ] The policy was posted in the hospital facility's admissions offices			
e	[ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[ ] Other (describe in Section C)			
	Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Section C)			

Part V Facility Information *(continued)* LAWRENCE & MEMORIAL HOSPITAL

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d ☐ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d ☐ Other (describe in Section C)

Changes to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Section C)

21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.		X
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.		X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

SCHEDULE H, PART V, SEC B, LINE 1J

IN ADDITION TO THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) COMPONENTS LISTED, THE L+M HOSPITAL CHNA REPORT INCLUDED ANALYSIS OF THE DATA IN TERMS OF STRENGTHS AND OPPORTUNITIES FOR ACTION. THIS ANALYSIS INFORMED THE CREATION OF THE COMMUNITY HEALTH IMPLEMENTATION PLAN.

SCHEDULE H, PART V, SECTION B, LINE 3:

UPON COMPLETION OF DATA COLLECTION AND ANALYSIS, L+M HOSPITAL CONVENED A TEAM OF HOSPITAL AND COMMUNITY REPRESENTATIVES TO A COMMUNITY HEALTH STRATEGIC PLANNING SESSION IN MAY 2012. THIS SESSION WAS FACILITATED BY HOLLERAN CONSULTING. THE PURPOSE OF THE STRATEGIC PLANNING SESSION WAS TO SHARE THE RESULTS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, TO DISCUSS AND PRIORITIZE COMMUNITY HEALTH NEEDS, AND TO DEVELOP COMMUNITY HEALTH GOALS AND STRATEGIES TO GUIDE THE L+M COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP). AN ASSET MAPPING PROCESS WAS ALSO UNDERTAKEN IN ORDER TO IDENTIFY EXISTING RESOURCES, SERVICES, AND INITIATIVES IN THE HOSPITAL SERVICE AREA. THE FOLLOWING INDIVIDUALS COMPRISED THE PLANNING TEAM:

BRUCE CUMMINGS, CEO, L+M HOSPITAL

BILL STANLEY, VP DEVELOPMENT/COMMUNITY RELATIONS, L+M HOSPITAL

SHRADDHA PATEL, DIRECTOR OF PLANNING, L+M HOSPITAL

SUNG PARK, OUTPATIENT REHAB MANAGER, L+M HOSPITAL

MARY ANN NASH, NUTRITION PROGRAM COORDINATOR, L+M HOSPITAL

DREW HAFFEY, MANAGER, THERAPEUTIC FITNESS + SPORTS MEDICINE, L+M HOSPITAL

TRISH PUGSLEY, MANAGER, JOSLIN DIABETES CENTER, L+M HOSPITAL

ALEJANDRO MELENDEZ-COOPER, SITE DIRECTOR, COMMUNITY HEALTH CENTER

Part V **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

JEN MUGGEO, COMMUNITY EDUCATION, LEDGE LIGHT HEALTH DISTRICT

RUSSELL MELMED, EPIDEMIOLOGIST, LEDGE LIGHT HEALTH DISTRICT

STEPHANYE CLARKE, HEALTH PROGRAM COORDINATOR, LEDGE LIGHT HEALTH DISTRICT

STEVE SMITH, MD, PHYSICIAN, COMMUNITY HEALTH CENTER

MARY LENZINI, PRESIDENT, VISITING NURSE ASSOCIATION

JENNIFER O'BRIEN, COMMUNITY FOUNDATION OF SOUTHEASTERN CONNECTICUT

DINA SEARS-GRAVES, VP OF COMMUNITY INVESTMENT, UNITED WAY

NANCY COWSER, VP OF PLANNING, UNITED COMMUNITY + FAMILY SERVICES

DEBRA PENNUTO-MUNIZ, EXECUTIVE DIRECTOR, ENCUENTROS DE ESPERANZA

MICHELLE DEVINE, EXECUTIVE DIRECTOR, SOUTHEASTERN REGIONAL ACTION COUNCIL

RICK CALVERT, COO, CHILD + FAMILY AGENCY

JOANN EACCARINO, DIRECTOR-SCHOOL BASED HEALTH SERVICES, CHILD + FAMILY AGENCY

MICHAEL PASSERO, PRESIDENT, NEW LONDON CITY COUNCIL

JASON MARTIN, SUPERVISOR, THAMES VALLEY COUNCIL FOR COMMUNITY ACTION

TRACEE REISER, ASSOCIATE DEAN FOR COMMUNITY LEARNING, CONNECTICUT COLLEGE

JERRY LOKKEN, MANAGER, GROTON PARKS + RECREATION

FR. MICHAEL BELT, PASTOR, ST. JAMES EPISCOPAL

CHRIS SOTO, NEW LONDON COMMUNITY ACTIVIST

SCHEDULE H, PART V, SECTION B, LINE 5D:

THE CHNA REPORT WAS RELEASED AT A PRESENTATION OPEN TO THE PUBLIC ON JANUARY 23, 2013. IN ATTENDANCE WERE COMMUNITY PARTNERS REPRESENTING

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

OTHER NON-PROFIT ORGANIZATIONS, BUSINESS LEADERS, INDIVIDUALS REPRESENTING THE EDUCATION SECTOR, HOSPITAL STAFF, MEMBERS OF THE PRESS, AND COMMUNITY MEMBERS.

SCHEDULE H, PART V, SECTION B, LINE 7:

DUE TO RESOURCE CONSTRAINTS, SOME OF THE IDENTIFIED NEEDS THROUGH THE CHNA WILL NOT BE ADDRESSED. IN OTHER CASES, OTHER ORGANIZATIONS ARE TAKING THE LEAD ON AN IDENTIFIED NEED AND L+M HOSPITAL IS COLLABORATING. A DRIVING PHILOSOPHY OF L+M'S COMMUNITY BENEFIT EFFORTS IS TO BUILD ON COMMUNITY RESOURCES, PROGRAMS AND SERVICES AND TO NOT DUPLICATE THEM. AS SUCH, IN EXAMINING EACH OF THE PRIORITIZED COMMUNITY HEALTH NEEDS, EXISTING COMMUNITY ASSETS WERE IDENTIFIED BEFORE CONSIDERING ANY NEW STRATEGIES THAT L+M MIGHT INITIATE AND/OR THOSE TO BE CONTINUED. WHERE THERE IS AN EXISTING COMMUNITY-BASED PROGRAM ADDRESSING ANY OF THE PRIORITIZED NEEDS, OR DUE TO RESOURCE LIMITATIONS, L+M WILL WORK TO SUPPORT AND BUILD CAPACITY OF THOSE PROGRAMS RATHER THAN TO CREATE SOMETHING NEW.

THERE ARE THREE SPECIFIC EXAMPLES OF AREAS WHERE THE DATA DEMONSTRATE THAT THE L+M COMMUNITY IS AN OUTLIER AS COMPARED TO NATIONAL BENCHMARKS. THE USE OF TOBACCO IN THE L+M SERVICE AREA, WHILE HAVING DECREASED, CONTINUES TO EXCEED THE HEALTHY PEOPLE 2020 GOAL. L+M OFFERS CESSATION SUPPORT TO EMPLOYEES PRESENTLY. ALTHOUGH THIS INDICATOR IS DIRECTLY LINKED TO THE PRIORITY AREA OF CANCER, DUE TO RESOURCE LIMITATIONS, L+M WILL NOT UNDERTAKE PROGRAMMING INTENDED FOR THE WIDER COMMUNITY RELATED TO TOBACCO CESSATION.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

SIMILARLY, ALTHOUGH EXCESSIVE DRINKING IN ADULTS OVER AGE 18 IN NEW LONDON COUNTY EXCEEDS THE NATIONAL BENCHMARK, AND CAN BE LINKED TO CANCER AND MENTAL HEALTH PRIORITY AREAS, L+M WILL SUPPORT EFFORTS LED BY COMMUNITY PARTNERS BUT WILL NOT TAKE THE LEAD IN PROGRAMMING AROUND THIS ISSUE. FOR EXAMPLE, MUCH WORK AROUND SUBSTANCE ABUSE AND ADDICTION ISSUES IS BEING CARRIED OUT BY THE SOUTHEASTERN CT REGIONAL ACTION COUNCIL, AN ENTITY ESTABLISHED BY THE CT LEGISLATURE TO ASSIST COMMUNITIES IN THIS AREA. ADDITIONALLY, THERE ARE COMMUNITY PARTNERS RECEIVING FEDERAL AND STATE GRANT FUNDS TO ADDRESS THIS AREA. L+M PARTNERS IN THESE EFFORTS BUT WILL NOT INITIATE NEW STRATEGIES.

LAST, THE URBAN CENTER OF NEW LONDON CONTINUES TO DEMONSTRATE VARIANCE FROM STATE RATES IN BIRTHS TO TEENS AND SEXUALLY TRANSMITTED INFECTIONS. ALTHOUGH L+M WILL WORK TO SUPPORT COMMUNITY PARTNERS IN ADDRESSING THESE ISSUES, RESOURCE LIMITATIONS WILL NO LONGER ALLOW L+M TO PLAY A LEADERSHIP ROLE.

SCHEDULE H, PART V, SECTION B, LINE 20D:
SEE EXPLANATION PROVIDED IN SCHEDULE H, PART I, LINE 3C

Part V **Facility Information** *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Provide the following information.

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2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART I, LINE 3C:

IT IS THE PHILOSOPHY AND POLICY OF LAWRENCE & MEMORIAL HOSPITAL ("L+M HOSPITAL") THAT MEDICALLY NECESSARY HEALTH CARE SERVICES SHOULD BE AVAILABLE TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY.

CHARITY CARE APPLIES TO ALL UNINSURED PATIENTS (DEFINED AS EARNING LESS THAN 250% OF THE POVERTY GUIDELINES) AS DESCRIBED IN § 19A-673 OF THE CONNECTICUT GENERAL STATUTES. L+M HOSPITAL WILL MEET OR EXCEED THE GUIDELINES SET-FORTH BY THE CONNECTICUT HOSPITAL ASSOCIATION ("CHA") ON THE STATEWIDE DISCOUNT POLICY FOR UNINSURED PATIENTS. CARE WILL BE PROVIDED FREE FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFY THEIR ANNUAL INCOME IS LESS THAN 250% OF THE FEDERAL INCOME POVERTY LEVEL ("FPL"). LIQUID ASSETS MUST NOT EXCEED $50,000 (STOCKS, BONDS, CASH, 401, IRA, CD ETC.) EXCLUDING PRIMARY RESIDENCE AND PRIMARY MOTOR VEHICLE). BUSINESS ASSETS, RENTAL PROPERTY, SECONDARY RESIDENCE, RECREATIONAL VEHICLES AND OTHER SUCH LUXURY ITEMS WILL BE APPLIED TO THE LIQUID ASSETS. CARE WILL BE DISCOUNTED ON A SLIDING SCALE FOR SELF-PAY PATIENTS WHO HAVE NO THIRD PARTY INSURANCE TO COVER SERVICES WITH AN

Part VI Supplemental Information

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ANNUAL INCOME THAT IS BETWEEN 250% AND 400% OF THE FPL AND HAVE ASSETS

LESS THAN $50,000, IN ACCORDANCE WITH THE FOLLOWING:

251% - 300% = COST OF CHARGE

301% - 350% = 40%

351% - 400% = 30%

SCHEDULE H, PART I, LINE 7:

THE AMOUNTS REPORTED ON PART I, LINE 7 WERE CALCULATED AS DIRECT,

SEPARATELY IDENTIFIABLE COSTS INCURRED BY THE HOSPITAL PLUS AN ALLOCATION

OF OVERHEAD.

SCHEDULE H, PART II:

L+M HOSPITAL, WITH A MISSION TO "IMPROVE THE HEALTH OF THE REGION," HEWS

TO THE WORLD HEALTH ORGANIZATION DEFINITION OF HEALTH: "A STATE OF

COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING AND NOT MERELY THE

ABSENCE OF DISEASE OR INFIRMITY." IN ADDITION TO MEETING AN IDENTIFIED

NEED IN THE COMMUNITY, L+M HOSPITAL CONTRIBUTES TO AN OVERALL HEALTHY

Part VI Supplemental Information

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY AND SUPPORTS THE HOSPITAL'S ROLE AS GOOD CORPORATE CITIZEN.

THIS SOCIAL IMPACT IS MEASURED IN TERMS OF COMMUNITY VIBRANCY, AND

BREADTH AND DEPTH OF COMMUNITY ACTIVITIES THAT ENHANCE THE QUALITY OF

LIFE IN THE REGION. THE MAJORITY OF THE HOSPITAL'S COMMUNITY BUILDING

ACTIVITIES FALL INTO THE CATEGORY OF IN-KIND AND FINANCIAL SUPPORT FOR

PARTNER NON-PROFITS ALSO ENGAGED IN COMMUNITY DEVELOPMENT SUCH AS THE

DISBURSEMENT OF SCHOLARSHIPS. WE PARTICIPATE IN ECONOMIC DEVELOPMENT

ACTIVITIES THROUGH THE REGION'S CHAMBERS OF COMMERCE. ALL OF THESE

ACTIVITIES HAVE AS THEIR PRIMARY PURPOSE TO BENEFIT THE COMMUNITY AND ARE

CARRIED OUT WITHOUT REMUNERATION.

Part VI Supplemental Information

Provide the following information.

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2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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CARRIED OUT WITHOUT REMUNERATION.

SCHEDULE H, PART III, LINES 2 AND 3:

L+M HOSPITAL USES A COST REPORTING SYSTEM TO DETERMINE THE BAD DEBT EXPENSE. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 IS TAKEN DIRECTLY FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED AS 3% OF THE AMOUNT OF BAD DEBT (AT COST) FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF 3% REPRESENTS THE BAD DEBT AMOUNT THAT COULD HAVE BEEN QUALIFIED FOR CHARITY CARE AS THIS THE PERCENTAGE OF GROSS REVENUE THAT IS SELF PAID.

SCHEDULE H, PART III, LINE 8:

THE MEDICARE SHORTFALL OF ($20,587,664) REPORTED IN PART III, LINE 7 WAS CALCULATED BASED ON COST REPORTING. THE COSTING METHOD WAS FROM THE MEDICARE COST REPORT'S OWN METHODOLOGY OF ALLOCATING COST BY DEPARTMENT AND DERIVING A RATIO OF COST TO CHARGES. THIS AMOUNT SHOULD BE TREATED

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AS COMMUNITY BENEFIT BECAUSE THE RATES PAID BY MEDICARE DO NOT ACCURATELY

REFLECT THE COST OF CARE PROVIDED BY L+M HOSPITAL. ACCORDINGLY, L+M

HOSPITAL MUST SUBSIDIZE THE COST OF CARE PROVIDED TO MEDICARE

BENEFICIARIES WITH OTHER REVENUES.

SCHEDULE H, PART III, LINE 9B:

IN ACCORDANCE WITH ITS WRITTEN CREDIT AND COLLECTION POLICY, L+M HOSPITAL

WILL NOT PURSUE COLLECTION EFFORTS, DIRECTLY OR THROUGH COLLECTION

AGENCIES, ON THE PORTION OF A PATIENT'S BILL FOR WHICH THAT PATIENT HAS

ESTABLISHED ELIGIBILITY FOR CHARITY CARE.

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

L&M HOSPITAL EMPLOYS A VARIETY OF STRATEGIES IN GAUGING THE HEALTH NEEDS

OF THE COMMUNITIES IT SERVES. THE MOST RECENT COMMUNITY HEALTH NEEDS

ASSESSMENT (CHNA), COVERING THE LAWRENCE + MEMORIAL PRIMARY SERVICE AREA

WAS CONDUCTED UNDER THE GUIDANCE OF AN OUTSIDE EXPERT. THE ASSESSMENT

UPDATES THE LAST COMPREHENSIVE CHNA AND FURTHER ANALYZES HEALTH STATUS AS

Part VI Supplemental Information

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IT RELATES TO IDENTIFIED HEALTH CARE AND PUBLIC HEALTH ISSUES IN NEW LONDON COUNTY. METHODS INCLUDED USING SCIENTIFICALLY VALID DATA, COMPARATIVE INFORMATION, AND INPUT FROM LOCAL RESIDENTS, PROVIDERS AND LEADERS. INDICATORS WERE COMPUTED FROM AN EXTENSIVE SET OF SECONDARY HEALTH-RELATED DATA.

L+M HOSPITAL REVIEWS DISEASE INCIDENCE AND PREVALENCE RATES FOR THE LOCAL COMMUNITY, STATE, AND NATION. RATES ARE COLLECTED FROM MEDICAL JOURNALS, THE CT DEPARTMENT OF HEALTH, OR NATIONAL HEALTH RESOURCES SUCH AS THE KAISER FAMILY FOUNDATION OR CDC. THIS ANALYSIS INFORMS L+M ON THE HEALTH STATUS OF THE COMMUNITY AND IS USED TO FOCUS PROGRAM AND SERVICE DEVELOPMENT ON AREAS OF GREATEST CONCERN.

INFORMATION ON COMMUNITY NEEDS IS ALSO GATHERED THROUGH PARTNERSHIPS WITH OTHER COMMUNITY ORGANIZATIONS SUCH AS THE UNITED WAY, THE LEDGE LIGHT HEALTH DISTRICT, AND OTHER LOCAL NON-PROFITS. PERIODIC REVIEW OF DATA AND UPDATING AS APPROPRIATE IS CONDUCTED. L+M HOSPITAL COMPLETES A PHYSICIAN MANPOWER STUDY REGULARLY. THIS STUDY, CONDUCTED BY AN OUTSIDE

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CONSULTANT, DOCUMENTS THE DEMAND FOR PHYSICIANS BY SPECIALTY BASED ON PHYSICIAN-TO-POPULATION RATIOS, THE SUPPLY OF PHYSICIANS IN THE COMMUNITY, AND THE RESULTANT GAPS BETWEEN DEMAND AND SUPPLY. THE ANALYSIS INFORMS L+M OF DEFICIENCIES IN PHYSICIAN SUPPLY AND HELPS FOCUS RECRUITMENT EFFORTS TO MEET THE DEMANDS OF THE COMMUNITY.

ALL COMMUNITY BENEFIT ACTIVITIES ARE REGULARLY EVALUATED FOR IMPACT AND EFFECTIVENESS AND AUDITED FOR COMPLIANCE WITH THE ORGANIZATION'S COMMUNITY BENEFIT POLICY.

SCHEDULE H,PART VI, LINE 3

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

IN ACCORDANCE WITH ITS CHARITY CARE POLICY, L+M HOSPITAL NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE USING SEVERAL METHODS. 1) SIGNAGE INDICATING THE AVAILABILITY OF CHARITY CARE IS POSTED IN ENGLISH AND SPANISH IN PATIENT ACCOUNTS, HEALTH ACCESS MANAGEMENT AND CERTAIN CLINICAL AREAS. SUMMARIES OF THE PROGRAMS WILL ALSO BE AVAILABLE IN THOSE AREAS. 2) PATIENT FINANCIAL ADVISORS WILL

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ATTEMPT TO VISIT ALL INPATIENTS REGISTERED AS SELF-PAY PATIENTS. A SUMMARY EXPLAINING CHARITY CARE WILL BE GIVEN TO THE PATIENT OR GUARANTOR WHEN THIS VISIT OCCURS. 3) PATIENTS WITH NO INSURANCE WILL RECEIVE AN INITIAL LETTER WITHIN ONE WEEK OF DISCHARGE INFORMING THEM THAT L+M HOSPITAL CONSIDERS THEM "INSURED" PER THE CONNECTICUT GENERAL STATUTES SECTION 19A-673. IT IS THE RESPONSIBILITY OF THE PATIENT TO ADVISE L+M HOSPITAL IF THEY BELIEVE THEY QUALIFY AS "UNINSURED" (AT OR UNDER 250% OF THE FPG). 4) A SERIES OF MONTHLY STATEMENTS WILL BE SENT FOLLOWING DISCHARGE. EACH STATEMENT WILL REMIND THE PATIENT OF THE AVAILABILITY OF CHARITY CARE.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

POPULATION SIZE

THE COMMUNITIES THAT COMPRISE THE SERVICE AREA OF LAWRENCE & MEMORIAL INCLUDE TEN TOWNS ALONG THE CONNECTICUT SHORELINE BETWEEN RHODE ISLAND AND THE CONNECTICUT RIVER AND INLAND TO SALEM, CT, WITH A TOTAL POPULATION OF APPROXIMATELY 180,000 PEOPLE YEAR-ROUND, INCREASING TO

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250,000 IN THE SUMMER. OUR COMMUNITIES REPRESENT A BROAD MIX OF URBAN, SUBURBAN, AND RURAL AREAS.

GENERAL DEMOGRAPHICS

THE TOWNS AND CITIES IN THIS AREA ARE VERY DIVERSE, NOT ONLY SOCIO-ECONOMICALLY BUT ALSO IN TERMS OF RACE, ETHNICITY, FAITH TRADITION, RESIDENT TRANSIENCE, EMPLOYMENT, HEALTH INSURANCE STATUS, AND EDUCATIONAL ATTAINMENT. FROM 2000 TO 2010, THERE WAS A SLIGHT OVERALL GROWTH IN POPULATION WITH DRAMATIC CHANGES OCCURRING IN ETHNIC AND RACIAL COMPOSITION OF THE LOCAL POPULATION; THE PERCENTAGE OF HISPANICS INCREASED BY 75.4%, AFRICAN AMERICANS INCREASED BY 16.9%, NATIVE AMERICANS INCREASED BY 0.7%, ASIANS INCREASED BY 124% AND THOSE WHO INDICATE "OTHER" INCREASED BY 64%. OTHER INCREASES HAVE OCCURRED IN THE EASTERN EUROPEAN, AND HAITIAN POPULATIONS, AMONG OTHERS, WITH LOCAL SCHOOL DISTRICTS REPORTING SIGNIFICANT PERCENTAGES OF CHILDREN WHO ARE ENGLISH LANGUAGE LEARNERS (21.6 PERCENT IN NEW LONDON, 11.5 PERCENT IN NORWICH). CHANGES IN THE ETHNIC AND RACIAL MAKEUP OF COUNTY RESIDENTS ARE IMPACTING THE BURDEN OF DISEASE AND DEMAND FOR HEALTH SERVICES.

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ACCORDING TO THE CDC OFFICE OF MINORITY HEALTH & HEALTH EQUITY (2012),

RACE AND ETHNICITY CORRELATE WITH SIGNIFICANT HEALTH DISPARITIES.

SPECIFICALLY, HISPANIC/LATINOS ARE AT HIGHER RISK FOR ASTHMA, DIABETES,

HIV/AIDS, CERVICAL CANCER, LACK OF PRENATAL CARE, AND INFANT MORTALITY.

BLACKS/AFRICAN AMERICANS ARE AT HIGHER RISK FOR HEART DISEASE,

HYPERTENSION, DIABETES, AND INFANT MORTALITY. BOTH POPULATIONS ARE ALSO

AT HIGHER RISK FOR OVERWEIGHT/ OBESITY ISSUES.

MAJOR EMPLOYERS

THE REGION HAS TRANSITIONED FROM A LARGELY DEFENSE INDUSTRY-BASED ECONOMY

TO ONE THAT RELIES HEAVILY UPON EMPLOYMENT IN THE SERVICE AND TRADE

SECTORS AND IN GENERAL HAS A HIGHER PERCENTAGE OF PERSONS EMPLOYED IN

THOSE SECTORS -WITH CORRESPONDING LOWER RATES OF PAY- WHICH IS CORRELATED

WITH THE LOWER PER CAPITA INCOME AND GREATER ECONOMIC VULNERABILITY.

MAJOR EMPLOYERS INCLUDE THE MASHANTUCKET PEQUOT AND MOHEGAN TRIBES

(FOXWOODS RESORT AND CASINO AND MOHEGAN SUN CASINO RESPECTIVELY), PFIZER

GLOBAL RESEARCH AND DEVELOPMENT, EDUCATIONAL INSTITUTIONS (CONNECTICUT

Part VI Supplemental Information

Provide the following information.

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2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

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COLLEGE, MITCHELL COLLEGE AND THE U.S. COAST GUARD ACADEMY), GENERAL DYNAMICS/ELECTRIC BOAT, DOMINION, AND LAWRENCE + MEMORIAL.

THERE ARE PRIMARY SOCIAL AND HEALTH CARE FACTORS IN THE URBAN CENTERS OF THE REGION, RACIAL AND ETHNIC HEALTH DISPARITIES, HIGHER POVERTY AND UNEMPLOYMENT RATES, LOWER LEVELS OF EDUCATIONAL ATTAINMENT, LIMITED ACCESS TO AFFORDABLE HOUSING AND TRANSPORTATION, HIGHER RATES OF DEATH FROM CHRONIC ILLNESS, AND A GREATER LIKELIHOOD OF RESIDENTS NOT HAVING HEALTH INSURANCE, ALL OF WHICH PRESENT PARTICULAR CHALLENGES. MEDIAN HOUSEHOLD INCOME IN THE L+M SERVICE AREA IS FAR BELOW THAT OF THE STATE, WITH AFRICAN AMERICAN AND HISPANIC FAMILIES' INCOMES SIGNIFICANTLY LOWER THAN WHITE FAMILIES' INCOMES. THE REGION INCLUDES ONE PRIORITY SCHOOL DISTRICT. THREE OF OUR COMMUNITIES HAVE A GREATER PERCENTAGE OF CHILDREN LIVING IN POVERTY THAN THE STATE AVERAGE OF 26.1% - GROTON 27.7%, NEW LONDON 59.7% AND NORWICH 43.4% (CHILDREN UNDER 200% OF THE FEDERAL POVERTY LEVEL 2006 - 2010, CT VOICES FOR CHILDREN).

THE CHRONIC DISEASE BURDEN IS HIGH THROUGHOUT NEW LONDON COUNTY WITH

Part VI Supplemental Information

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NORWICH AND NEW LONDON HAVING HIGHER PERCENTAGES WITH 3+ CHRONIC CONDITIONS THAN OTHER REGIONS. NEW LONDON AND NORWICH ALSO HAVE A HIGHER PERCENTAGE OF PEOPLE WHO SELF-IDENTIFY AS "NOT WELL" AND, ALONG WITH SOME OUTLYING TOWNS, HAVE THE LEAST FAVORABLE INDICATORS FOR CHRONIC DISEASE.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

L+M HOSPITAL'S COMMUNITY BENEFIT PROGRAMS AND SERVICES FORWARD THE ORGANIZATIONAL MISSION "TO IMPROVE THE HEALTH OF THE REGION" AND ALIGN WITH THE PRINCIPLES AS SET FORTH IN THE ORGANIZATION'S COMMUNITY BENEFIT POLICY. THOSE PRINCIPLES INCLUDE:

1. EMPHASIS ON PROGRAMS TO MEET A SIGNIFICANT UNMET HEALTH NEED INCLUDING EFFORTS TO IDENTIFY AND INCLUDE VULNERABLE POPULATIONS OR THOSE MOST AT-RISK AS DETERMINED BY RISK FACTORS WHICH PREDISPOSE THOSE POPULATIONS TOWARD A HIGHER INCIDENCE OF DISEASE AND/OR BARRIERS TO OBTAINING APPROPRIATE HEALTHCARE.

2. EMPHASIS ON PRIMARY PREVENTION AND INCLUDING AT LEAST ONE OF THREE PRIMARY PREVENTION STRATEGIES: HEALTH PROMOTION, DISEASE PREVENTION, AND

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HEALTH PROTECTION. HEALTH PROMOTION ENTAILS ENCOURAGING HEALTHY LIFESTYLES; DISEASE PREVENTION FOCUSES ON INDIVIDUALS IDENTIFIED AS AT-RISK FOR HEALTH PROBLEMS; HEALTH PROTECTION ACTIVITIES INFLUENCE THE ENVIRONMENT TO SUPPORT HEALTHY BEHAVIORS.

3. PROGRAMS SHOULD DEVELOP EVIDENCE-BASED LINKS BETWEEN CLINICAL SERVICES AND HEALTH IMPROVEMENT ACTIVITIES DELIVERED BOTH INSIDE AND OUTSIDE THE HOSPITAL.

4. PROGRAMS SHOULD FOCUS ON TARGETING CHARITABLE RESOURCES THAT MOBILIZE AND BUILD CAPACITY WITHIN EXISTING COMMUNITY ASSETS WHILE MINIMIZING DUPLICATION OF EFFORT.

5. PROGRAMS SHOULD EMPHASIZE COLLABORATION WITH COMMUNITY STAKEHOLDERS.

AS EVIDENCED BY THE WIDE RANGE OF COMMUNITY BENEFIT PROGRAMS AND SERVICES OFFERED, L+M IS ENGAGED IN MEETING THE IDENTIFIED HEALTH NEEDS OF THE COMMUNITIES WE SERVE. THERE IS AN ORGANIZATIONAL HISTORY OF COLLECTING DATA TO DETERMINE HOW BEST TO DIRECT OUR RESOURCES AND HOW TO MAKE THE GREATEST IMPACT IN PROMOTING COMMUNITY HEALTH. OUR ANNUAL COMMUNITY BENEFIT REPORT PUBLICATION DESCRIBES A SAMPLING OF PROGRAMS AND THE

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AMOUNT OF INVESTMENT THAT L+M MAKES IN CARRYING OUT THESE PROGRAMS.

COMMUNITY INVOLVEMENT IN GOVERNANCE AND ADVISORY GROUPS

COMMUNITY ENGAGEMENT IN THE PLANNING, IMPLEMENTATION AND EVALUATION OF L+M HOSPITAL INITIATIVES IS OF UTMOST IMPORTANCE. CONSUMERS AND STAKEHOLDER ORGANIZATIONS PARTICIPATE IN A RANGE OF ACTIVITIES SO AS TO ENSURE THAT MANY PERSPECTIVES ARE CONSIDERED. ONE EXAMPLE OF BROAD COMMUNITY INVOLVEMENT IS IN OUR FACILITATION OF A MULTI-SECTOR STAKEHOLDER COLLABORATIVE TO BRING A COMMUNITY FITNESS CENTER TO OUR HOME COMMUNITY. THE RECONNECTING THE HOMELESS PROGRAM ENGAGES IN COMMUNITY COLLABORATIVES THAT PROVIDE IMPORTANT INPUT FOR THE PROGRAM AND EMPHASIS IS PLACED ON HOSPITAL REPRESENTATIVE PARTICIPATION IN OTHER COMMUNITY ORGANIZATIONS SO AS TO PROVIDE OPPORTUNITIES TO HEAR FROM OUR CONSUMERS. LAWRENCE + MEMORIAL'S BOARD OF DIRECTORS IS MADE UP OF COMMUNITY LEADERS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE. THEY ARE INVOLVED IN THE STRATEGIC PLANNING, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP AMONG OTHER RESPONSIBILITIES. OUR CORPORATORS ARE OUR

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COMMUNITY-LIAISONS AND REPRESENT ALL SECTORS OF OUR COMMUNITIES PROVIDING INPUT AND FEEDBACK REGULARLY. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM:

THE ENTITIES OF L+M HEALTHCARE INCLUDE L+M HOSPITAL, THE L+M MEDICAL GROUP (LMPA, PHYSICIAN PRACTICES), THE VISITING NURSE ASSOCIATION OF SOUTHEASTERN CT (VNASC), AND WESTERLY HOSPITAL (RHODE ISLAND) EACH OF WHICH HAVE A ROLE IN PROMOTING THE HEALTH OF OUR COMMUNITIES. THE L+M HOSPITAL ROLE IS DESCRIBED IN QUESTION 5 ABOVE AND WESTERLY HOSPITAL OPERATES IN SIMILAR FASHION: IMPLEMENTING COMMUNITY HEALTH IMPROVEMENT ACTIVITIES, PROVIDING OPPORTUNITIES FOR HEALTH PROFESSIONS STUDENTS, ENSURING ACCESS TO CARE, PROMOTING PRIMARY PREVENTIVE CARE, PROVIDING SUBSIDIZED HEALTH SERVICES AND SERVING AS A SAFETY NET PROVIDER. VNASC CARES FOR EVERYONE FROM THE ELDERLY WHO WISH TO REMAIN IN THEIR HOMES FOR AS LONG AS THEY CAN AND PATIENTS RECOVERING FROM SURGERY OR ILLNESS, TO NEW MOTHERS, SCHOOLCHILDREN, AND THE HOMELESS USING THE MOST CURRENT

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MEDICAL ADVANCES AND TECHNOLOGIES IN HOME HEALTHCARE, AND STRENGTHENS COMMUNITY RESOURCES FOR EVERYONE. LMPA, THROUGH ITS PATIENT-CENTERED MEDICAL HOME PRIMARY CARE AND SPECIALTY PRACTICES PROVIDES DIAGNOSTIC, THERAPEUTIC AND PREVENTIVE HEALTH CARE THROUGH PHYSICIANS OF FAMILY PRACTICE, INTERNAL MEDICINE, PEDIATRICS, DERMATOLOGY, ENDOCRINOLOGY, GENERAL SURGERY, ORTHOPEDIC SURGERY, NEUROSURGERY, BREAST AND RECONSTRUCTIVE SURGERY, NEUROLOGY, REHABILITATION MEDICINE, OBSTETRICS, GYNECOLOGY, CARDIOLOGY AND INTERVENTIONAL PAIN MANAGEMENT IN MULTIPLE LOCATIONS THROUGHOUT SOUTHEASTERN CT AND SOUTHWESTERN RI.

SCHEDULE H, PART VI, LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT:

L+M HOSPITAL FILES ITS COMMUNITY BENEFIT REPORT IN CONNECTICUT ONLY. THE L+M HEALTHCARE AFFILIATED ORGANIZATION, WESTERLY HOSPITAL, FILES REPORTS IN RHODE ISLAND.

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OTHER INFORMATION:

A MAJORITY OF L+M HOSPITAL'S TRUSTEES ARE MEMBERS OF THE COMMUNITY SERVED BY L+M HOSPITAL AND ARE NOT EMPLOYED BY L+M HOSPITAL NOR ARE THEY FAMILY MEMBERS OF PERSONS EMPLOYED BY L+M HOSPITAL. L+M HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY WHO WISH TO JOIN THE STAFF, CONSISTENT WITH THE SIZE AND NATURE OF ITS FACILITIES. EXCESS RECEIPTS FROM OPERATIONS ARE DEVOTED TO IMPROVEMENT OF FACILITIES, DEBT SERVICE, MEDICAL TRAINING AND RESEARCH.

HEALTH ADVOCACY INITIATIVES

L+M HOSPITAL IS INVOLVED IN HEALTH ADVOCACY INITIATIVES TO REDUCE UNINTENTIONAL INJURY TO CHILDREN, AND TO IMPROVE THE HEALTHCARE, PUBLIC HEALTH AND SOCIAL SERVICE SYSTEMS IN NEW LONDON COUNTY. OUR SAFE KIDS NEW LONDON COUNTY PROGRAM PLAYS A LEADERSHIP ROLE ON THE LOCAL, STATE AND NATIONAL LEVELS IN ADVOCATING FOR PUBLIC POLICIES THAT REDUCE INJURY RISK FOR CHILDREN. L+M HOSPITAL'S LEADERSHIP IN THE NEW LONDON COUNTY HEALTH COLLABORATIVE, AND PARTNERSHIP WITH OVER 12 OTHER ORGANIZATIONS INCLUDING BACKUS HOSPITAL, THREE HEALTH DEPARTMENTS, THREE FEDERALLY QUALIFIED

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HEALTH CENTERS, THE COUNTY ANTI-POVERTY AGENCY, TWO HOMECARE ORGANIZATIONS, AND THE COUNTY'S LARGEST CHILD ADVOCACY ORGANIZATION, HAS RESULTED IN THE COLLABORATIVE BEING LOOKED TO AS A VALUABLE RESOURCE FOR POLICY MAKERS. ADDITIONALLY, THE EFFORTS OF THE NEW LONDON COUNTY HEALTH COLLABORATIVE ARE HAVING AN IMPACT ON COMMUNITY HEALTH, INITIALLY IN THE AREA OF IMPROVED ACCESS TO CARE.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	[ ] First-class or charter travel		
	[ ] Travel for companions		
	[ ] Tax indemnification and gross-up payments		
	[ ] Discretionary spending account		
	[ ] Housing allowance or residence for personal use		
	[ ] Payments for business use of personal residence		
	[X] Health or social club dues or initiation fees		
	[ ] Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain 1b		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? 2	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	[X] Compensation committee		
	[X] Independent compensation consultant		
	[ ] Form 990 of other organizations		
	[ ] Written employment contract		
	[X] Compensation survey or study		
	[X] Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? 4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? 4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? 5a		X
b	Any related organization? 5b		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? 6a		X
b	Any related organization? 6b		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III 7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III 8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? 9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	BRUCE D. CUMMINGS PRESIDENT/CEO	(i)	567,106.	0	19,282.	90,112.	21,033.	697,533.	0
		(ii)	0	0	0	0	0	0	0
2	HENRY AMDUR, MD PAST PRESIDENT, UNTIL 12/13	(i)	0	0	0	0	0	0	0
		(ii)	277,234.	100,621.	1,980.	10,000.	11,384.	401,219.	0
3	LUGENE INZANA VP/CFO UNTIL 2/14	(i)	338,447.	0	1,242.	39,749.	24,761.	404,199.	0
		(ii)	0	0	0	0	0	0	0
4	WILLIAM STANLEY VP DEV & COMMUNITY RELATIONS	(i)	184,059.	0	5,940.	24,087.	21,462.	235,548.	0
		(ii)	0	0	0	0	0	0	0
5	MAUREEN ANDERSON, ATTOR ASSISTANT SECRETARY	(i)	256,947.	0	810.	29,561.	23,605.	310,923.	0
		(ii)	0	0	0	0	0	0	0
6	DANIEL RISSI, MD VP CHIEF MEDICAL OFFICER	(i)	379,173.	0	3,564.	45,065.	21,033.	448,835.	0
		(ii)	0	0	0	0	0	0	0
7	KIMBERLY KALAJAINEN VP CHIEF INFORMATION OFFICER	(i)	214,293.	0	4,144.	25,481.	23,624.	267,542.	0
		(ii)	0	0	0	0	0	0	0
8	CRISTA DURAND (UNTIL 7/ VP STRATEGIC PLANNING/MKTG	(i)	267,869.	0	540.	31,875.	22,821.	323,105.	0
		(ii)	0	0	0	0	0	0	0
9	LAUREN WILLIAMS VP PATIENT CARE SERVICES	(i)	244,339.	0	2,322.	28,607.	11,045.	286,313.	0
		(ii)	0	0	0	0	0	0	0
10	PAMELA KANE VP PHYSICIANS PRACTICE	(i)	222,668.	0	540.	26,950.	28,211.	278,369.	0
		(ii)	0	0	0	0	0	0	0
11	DAVID F. REISFELD, MD DIRECTOR	(i)	0	0	0	0	0	0	0
		(ii)	292,427.	37,210.	1,290.	10,000.	23,882.	364,809.	0
12	GERALDINE RUFFA, MD MEDICAL DIRECTOR, PHYSICIAN	(i)	231,489.	0	1,940.	10,000.	1,216.	244,645.	0
		(ii)	0	0	0	0	0	0	0
13	DONNA EPPS VP CHIEF HR OFFICER	(i)	188,474.	0	9,098.	22,449.	0	220,021.	0
		(ii)	0	0	0	0	0	0	0
14	PAUL CHAUSSE DIRECTOR OF REVENUE CYCLE	(i)	152,304.	18,994.	300.	10,000.	9,947.	191,545.	0
		(ii)	0	0	0	0	0	0	0
15	GARY CASS DIRECTOR HR/LABOR RELATIONS	(i)	165,696.	85.	3,810.	10,000.	18,852.	198,443.	0
		(ii)	0	0	0	0	0	0	0
16	CHRISTOPHER LEHRACH, MD CHIEF TRANSFORMATION OFFICER	(i)	199,958.	0	9,186.	10,000.	12,653.	231,797.	0
		(ii)	0	0	0	0	0	0	0

Schedule J (Form 990) 2013 Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	WARREN B. ROGERS DIRECTOR OF PHARMACY	(i)	141,715.	0	22,035.	5,400.	25,210.	194,360.	0
		(ii)	0	0	0	0	0	0	0
2		(i)							
		(ii)							
3		(i)							
		(ii)							
4		(i)							
		(ii)							
5		(i)							
		(ii)							
6		(i)							
		(ii)							
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

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DOHP1449

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART I, LINE 1

WILLIAM STANLEY, VP OF DEVELOPMENT, HAS A NONTAXABLE MEMBERSHIP TO THE THAMES CLUB IN NEW LONDON. THE THAMES CLUB IS A SOCIAL CLUB THAT ALLOWS NETWORKING WITH POTENTIAL DONORS OR BOARD MEMBERS. NO PERSONAL USE IS ALLOWED AND ALL USE IS FOR BUSINESS PURPOSES.

BRUCE CUMMINGS, PRESIDENT & CEO, AUTHORIZES WILLIAM STANLEY'S MEMBERSHIP IN THE THAMES CLUB IN HIS ROLE AS VICE PRESIDENT OF DEVELOPMENT & COMMUNITY RELATIONS OF LAWRENCE & MEMORIAL HOSPITAL. IN AN EFFORT TO CONDUCT BUSINESS IN THE COMMUNITY AND REPRESENT LAWRENCE & MEMORIAL HOSPITAL, THE THAMES CLUB PROVIDES AN APPROPRIATE SETTING FOR MEETINGS WITH BOARD MEMBERS AND BOTH CURRENT AND POTENTIAL DONORS.

SCHEDULE J, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL ESTABLISHED A SECTION 457(F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR. AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED TO THE PLAN ANNUALLY. PLAN AMOUNTS WILL BE

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PAID ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. SECTION 457(F) CONTRIBUTIONS ARE REPORTED ON SCHEDULE J, PART II, COLUMN C.

DURING 2013, SECTION 457(F) CONTRIBUTIONS WERE CREDITED TOWARDS THE PLAN AS FOLLOWS:

BRUCE CUMMINGS - $80,112

DANIEL RISSI - $35,065

LUGENE INZANA - $29,749

CRISTA DURAND - $21,875

LAUREN WILLIAMS - $18,680

PAMELA KANE - $16,950

KIMBERLY KALAJAINEN - $15,481

WILLIAM STANLEY - $14,087

DONNA EPPS - $12,449

MAUREEN ANDERSON - $19,561

DOHP1451

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART I, LINE 7

L&M HOSPITAL HAS AN EXECUTIVE INCENTIVE PLAN. BONUSES ARE AWARDED UNDER THE PLAN BASED ON THE EXECUTIVE MEETING TEAM AND PERSONAL GOALS. THE PLAN ALSO INCLUDES A DISCRETIONARY COMPONENT. MEMBERS OF L&M HOSPITAL'S SENIOR MANAGEMENT TEAM (PRESIDENT & VICE PRESIDENTS) ARE ELIGIBLE FOR ANNUAL EXECUTIVE INCENTIVE PLAN AWARDS, BASED ON PRE-SET PERCENTAGES OF BASE SALARY TO EACH EXECUTIVE BASED ON THE HOSPITAL MEETING ITS FINANCIAL AND WORK-PLAN GOALS AS WELL AS THE EXECUTIVE MEETING PREDETERMINED INDIVIDUAL AND TEAM GOALS. IN THE CASE OF AN EXECUTIVE NOT MEETING ALL OF HIS OR HER PREDETERMINED GOALS, A PERCENTAGE OF THE ELIGIBLE TARGET AMOUNT MAY BE AWARDED.

TAX-EXEMPT BONDS

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule K (Form990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CT HEFA FIXED RATE REV BONDS, SERIES F	06-0836186		04/15/2011	61,831,040.	SEE PART VI		X		X		X
B	CT HEFA SERIES G	06-0836186		10/30/2013	30,000,000.	SEE PART VI		X		X		X
C	CT HEFA SERIES H	06-0836186		05/05/2013	21,405,000.	SEE PART VI		X		X		X
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	8,235,000.	800,000.	23,209,539.	
2	Amount of bonds legally defeased				
3	Total proceeds of issue	61,831,040.	30,000,000.	21,405,000.	
4	Gross proceeds in reserve funds			2,247,255.	
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,021,749.	299,000.	442,716.	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		29,139,324.		
11	Other spent proceeds	60,809,291.		18,715,029.	
12	Other unspent proceeds		561,676.		
13	Year of substantial completion	2011	2014		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X			X	X			
15	Were the bonds issued as part of an advance refunding issue?		X		X	X			
16	Has the final allocation of proceeds been made?	X			X	X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		

DOHP1453

Part III Private Business Use *(Continued)* TAX-EXEMPT BONDS

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Does the bond issue meet the private security or payment test?		X		X		X		
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X		X			
b Exception to rebate?		X		X		X		
c No rebate due?		X		X		X		
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X		X	X			
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

DOHP1454

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X		X		

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

DOHP1455

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

FORM 990, SCHEDULE K, PART I, COLUMN (F)

NAME OF BOND: $58,940,000 FIXED RATE REV BONDS, SERIES F THE PROCEEDS OF THE SERIES F BONDS WERE USED TO REFUND THE OUTSTANDING AUTHORITY REVENUE BONDS, LAWRENCE & MEMORIAL HOSPITAL ISSUE, SERIES D (THE "SERIES D BONDS") AND TO FUND ALL OR A PORTION OF THE FOLLOWING CAPITAL PROJECTS:

(1) REPLACEMENT OF A LINEAR ACCELERATOR ON THE MAIN CAMPUS OF THE HOSPITAL.

(2) CAPITAL IMPROVEMENTS FOR INFRASTRUCTURE RENOVATION AND IMPROVEMENT ON THE MAIN CAMPUS, INCLUDING HEATING, VENTILATION, AND AIR CONDITIONING PROJECT.

(3) REPLACEMENT OF A CATHETERIZATION LAB AND EQUIPMENT ON THE MAIN CAMPUS.

(4) ACQUISITION OF APPROXIMATELY 100 ACRES OF LAND IN WATERFORD, CONNECTICUT FOR DEVELOPMENT OF A NEW CANCER CENTER.

(5) ACQUISITION AND INSTALLATION OF MAGNETIC RESONANCE IMAGING (MRI) AND CT EQUIPMENT AT THE CROSSROADS FACILITY.

NAME OF BOND: $29,200,000 PRIVATE PLACEMENT, SERIES G, ON OCTOBER 10, 2013 SERIES G WAS ISSUED IN A PRIVATE PLACEMENT OFFERING WITH BANK OF AMERICA-MERRILL LYNCH AND CHEFA WITH AN INTEREST RATE OF 3.20% UNTIL OCTOBER 1, 2023, WITH AN OPTION TO EXTEND AT A NEGOTIATED RATE WITH A

DOHP1456

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

MATURITY DATE OF JULY 1, 2038. THE PROJECT BEING FINANCED AND REFINANCED WITH THE PROCEEDS OF THE BONDS CONSISTS OF:

(1) THE CONSTRUCTION AND EQUIPPING OF AN APPROXIMATELY 50,000 SQUARE FOOT COMMUNITY CANCER CENTER LOCATED AT 230 PARKWAY SOUTH, WATERFORD, CONNECTICUT.

(2) THE RENOVATION AND EQUIPPING OF APPROXIMATELY 15,000 SQUARE FEET OF SPACE AT THE INSTITUTION'S MAIN CAMPUS FACILITY LOCATED AT 365 MONTAUK AVENUE, NEW LONDON, CONNECTICUT TO PROVIDE FOR A JOINT CENTER TO ACCOMMODATE POST-SURGICAL JOINT REPLACEMENT PATIENTS.

(3) THE RENOVATION OF AN APPROXIMATELY 48,000-SQUARE FOOT, 3-STORY BUILDING LOCATED AT 194 HOWARD STREET, NEW LONDON, CONNECTICUT TO BE USED AS A MEDICAL OFFICE BUILDING

(4) THE PAYING OF ALL OR A PORTION OF THE COSTS INCIDENTAL TO THE ISSUANCE OF THE BONDS, INCLUDING ISSUANCE COSTS OF THE BONDS AND ANY RESERVE FUNDS AS MAY BE NECESSARY TO SECURE THE BONDS.

NAME OF BOND: $21,405,000 VARIABLE RATE DEMAND REV BOND, SERIES H, ON NOVEMBER 5,2013, SERIES H WAS ISSUED WITH A VARIABLE RATE AND A MATURITY DATE OF JULY 1, 2034. THIS BOND HAS A LETTER OF CREDIT GUARANTEED BY TD BANK. INTEREST ON THE SERIES H BONDS ACCRUES AT THE WEEKLY RATE AND IS PAYABLE ON THE FIRST BUSINESS DAY OF EACH MONTH COMMENCING JANUARY 1,

DOHP1457

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

2014. THE SERIES H BONDS WERE ISSUED BY CHEFA TO REFINANCE SERIES E, WHICH REFUNDED 2004 ISSUE, WHICH REFUNDED 1998 ISSUE.

OF AN APPROXIMATELY 50,000 SQUARE FOOT COMMUNITY CANCER CENTER LOCATED AT 230 PARKWAY SOUTH, WATERFORD, CONNECTICUT; (2) THE RENOVATION AND EQUIPPING OF APPROXIMATELY 15,000 SQUARE FEET OF SPACE AT THE INSTITUTION'S MAIN CAMPUS FACILITY LOCATED AT 365 MONTAUK AVENUE, NEW LONDON, CONNECTICUT TO PROVIDE FOR A JOINT CENTER TO ACCOMMODATE POST-SURGICAL JOINT REPLACEMENT PATIENTS; (3) THE RENOVATION OF AN APPROXIMATELY 48,000-SQUARE FOOT, 3-STORY BUILDING LOCATED AT 194 HOWARD STREET, NEW LONDON, CONNECTICUT TO BE USED AS A MEDICAL OFFICE BUILDING; AND (4) THE PAYING OF ALL OR A PORTION OF THE COSTS INCIDENTAL TO THE ISSUANCE OF THE BONDS, INCLUDING ISSUANCE COSTS OF THE BONDS AND ANY RESERVE FUNDS AS MAY BE NECESSARY TO SECURE THE BONDS.

FORM 990, SCHEDULE K, PART III, LINE 9; PART IV, LINE 7; & PART V

IN GENERAL, L&M HOSPITAL WORKS TO ENSURE POST ISSUANCE COMPLIANCE FOR ITS TAX-EXEMPT BONDS IN ACCORDANCE WITH BOND ISSUANCE DOCUMENTS. L&M HOSPITAL IS IN THE PROCESS OF DEVELOPING WRITTEN PROCEDURES FOR POST ISSUANCE COMPLIANCE FOR THE FOLLOWING:

- TO ENSURE ALL NONQUALIFIED BONDS OF THE ISSUANCE ARE REMEDIATED IN ACCORDANCE WITH REQUIREMENTS OF REGULATIONS SECTIONS 1.141-12 & 1.145-2.

DOHP1458

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

- TO MONITOR THE REQUIREMENTS OF SECTION 148.

- TO ENSURE THAT VIOLATIONS OF FEDERAL TAX REQUIREMENTS ARE TIMELY IDENTIFIED AND CORRECTED THROUGH THE VOLUNTARY CLOSING AGREEMENT PROGRAM IF SELF-REMEDIATION IS NOT AVAILABLE UNDER APPLICABLE REGULATIONS.

DOHP1459

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

FORM 990, PART III, LINE 4A

LAWRENCE & MEMORIAL HOSPITAL PROVIDES QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF LAWRENCE & MEMORIAL HOSPITAL, WE RECOGNIZE THAT NOT ALL PERSONS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES; AND, FURTHER, WE BELIEVE THAT A PART OF OUR MISSION IS TO CARE FOR THE MEDICALLY UNDER-SERVED IN OUR COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION. IN KEEPING WITH OUR HOSPITAL'S MISSION OF "IMPROVING THE HEALTH OF OUR REGION" AND OUR COMMITMENT TO SERVE ALL MEMBERS OF ITS COMMUNITY, WE PROVIDE:

- FREE CARE AND/OR SUBSIDIZED CARE.
- CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS AT BELOW COST.
- A BROAD RANGE OF HEALTH CARE ACTIVITIES, PROGRAMS AND SERVICES TO SUPPORT OUR COMMUNITY.
- A SPECIAL COMMUNITY OUTREACH PROGRAM.

THESE PROGRAMS WILL BE CONSIDERED WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXIST. THESE ACTIVITIES INCLUDE WELLNESS PROGRAMS, EMERGENCY RESPONSE PROGRAMS, COMMUNITY HEALTH SCREENINGS, COMMUNITY EDUCATION PROGRAMS, SPECIAL PROGRAMS FOR THE ELDERLY, HANDICAPPED, AND THE MEDICALLY UNDER-SERVED, AND A VARIETY OF BROAD COMMUNITY SUPPORT

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

ACTIVITIES.

DURING THE YEAR ENDED SEPTEMBER 30, 2014, LAWRENCE & MEMORIAL HOSPITAL SERVED 14,153 HOSPITALIZED PATIENTS AND 181,988 PATIENT VISITS THROUGH OUR AMBULATORY PROGRAMS. IN ADDITION, 86,353 EMERGENCY CASES CAME THROUGH OUR EMERGENCY FACILITIES IN NEW LONDON (50,457) AND GROTON (35,896). SAME DAY SURGERIES ACCOUNTED FOR 8,283 PROCEDURES.

RECOGNIZING ITS MISSION TO THE COMMUNITY, LAWRENCE & MEMORIAL HOSPITAL PROVIDES CARE TO PERSONS COVERED BY FEDERAL AND STATE PROGRAMS AT OR BELOW COST. LAWRENCE & MEMORIAL HOSPITAL ALSO RECOGNIZES THE IMPORTANCE OF CHARITY CARE IN FULFILLING ITS MISSION TO THE ENTIRE COMMUNITY. CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR, BASED UPON ACTIVITIES AND SERVICES WHICH LAWRENCE & MEMORIAL HOSPITAL BELIEVES WILL SERVE A "BONA FIDE" COMMUNITY HEALTH CARE NEED.

FORM 990, PART III, LINE 4B

========

LAWRENCE & MEMORIAL HOSPITAL BELIEVES THAT MOTIVATION THROUGH EDUCATION IS A STRONG FORCE IN HELPING INDIVIDUALS PREVENT ILLNESSES AND MAKE INFORMED CHOICES ABOUT THEIR BODIES AND WHAT HAPPENS TO THEM. OUR APPROACH PROVIDES ACCURATE HEALTH INFORMATION THROUGH A VARIETY OF PROGRAMMING EFFORTS SO CONSUMERS FEEL A PART OF THE DECISION-MAKING PROCESS AND HAVE AN ACTIVE ROLE IN THOSE DECISIONS. AS A RESULT,

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

LAWRENCE & MEMORIAL REMAINS AMONG CONNECTICUT'S MOST PRO-ACTIVE HOSPITALS IN OFFERING DIVERSIFIED AND BROAD-BASED COMMUNITY HEALTH EDUCATION PROGRAMS. THESE PROGRAMMING EFFORTS INCLUDE COMMUNITY LECTURES AT THE HOSPITAL, CABLE TV ACCESS PROGRAMMING, RELIABLE HEALTH INFORMATION WITH OVER 2,500 HEALTH-RELATED ARTICLES ON THE HOSPITAL'S WEB SITE (WWW.LMHOSPITAL.ORG), TOURS, SUPPORT GROUPS, COMMUNITY EDUCATIONAL PROGRAMS, PUBLIC SERVICE ANNOUNCEMENTS AND SCREENING AND HEALTH FAIRS, INCLUDING ONSITE VISITS TO LARGE AND SMALL COMPANIES.

LAWRENCE & MEMORIAL'S COMMUNITY OUTREACH PROGRAM HAS BEEN ABLE TO REACH A BROAD, CROSS-SECTION OF THE GREATER NEW LONDON COMMUNITY IN SOUTHEASTERN CONNECTICUT.

THE COMMUNITY CONTRIBUTIONS ALSO INCLUDE SOME UNMENTIONED COMMUNITY BENEFITS SUCH AS: ADMINISTRATIVE AND FINANCIAL SUPPORT, OFFICE SPACE AND A LIBRARY OF ACCESSIBLE RESOURCES TO LEADERSHIP WITHIN THE VARIOUS FAITH COMMUNITIES IN OUR REGION.

IN ADDITION, THERE ARE MANY COMMUNITY ORGANIZATIONS THAT WE SUPPORT AS PART OF BEING A GOOD NEIGHBOR AND TO RECOGNIZE THEIR EFFORTS IN OUR COMMUNITY.

FORM 990, PART VI, LINE 2
DONALD FELITTO, MAUREEN ANDERSON, LUGENE INZANA, JIM MOYLAN, DANIEL RISSI, SETH VAN ESSENDELFT AND HENRY AMDUR SERVE ON THE BOARD OF L&M INDEMNITY, A RELATED ORGANIZATION.

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

FORM 990, PART VI, LINE 11B

WORKING WITH A PAID PREPARER, A FORM 990 IS PREPARED. L&M HOSPITAL'S FORM 990 IS THEN REVIEWED BY THE HOSPITAL'S INTERNAL MANAGEMENT. THE COMPLETED FORM 990 IS PROVIDED TO ALL MEMBERS OF THE BOARD OF DIRECTORS PRIOR TO THE FORM BEING FILED WITH THE IRS.

FORM 990, PART VI, LINE 12C

L&M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L&M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

L&M HOSPITAL EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGEMENT. UTILIZING AN INDEPENDENT COMPENSATION CONSULTANT, THE EXECUTIVE COMPENSATION COMMITTEE APPROVES COMPENSATION. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES. CEO'S COMPENSATION IS APPROVED BY THE FULL BOARD.

FORM 990, PART VI, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

FORM 990, PART VII, SECTION A

ROBERT KELTNER, MD; NIALL DUHIG, MD AND DONALD FELITTO, MD ARE COMPENSATED AS MEDICAL STAFF AND NOT AS DIRECTORS.

PART 990, PART IX, LINE 25

FUNDRAISING EXPENSES ARE REPORTED ON FORM 990, PART IX FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704) AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). ADDITIONAL CONTRIBUTIONS IN THE AMOUNT OF $2,958,303 ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

FORM 990, PART XI, LINE 9

REALIZED GAINS	-$369,002
PAYMENTS TO AFFILIATES	-$37,512,133
CHANGE IN VALUE OF IRREVOCABLE TRUSTS	$111,315
INCREASE IN FUNDS HELD IN TRUST BY OTHERS	$100,721
CHANGE IN MINIMUM PENSION LIABILITY	-$4,281,517
DONATED EQUIPMENT	$6,350
	-$41,944,266

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
YANKEE REMODELER OF NEW LONDON 95 TRUMAN STREET NEW LONDON, CT 06320	REMODELING COMPANY	1,192,000.
TOTAL LAUNDRY COLLABORATIVE, LLC	LAUNDRY SERVICES	831,187.

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
114 WOODLAND STREET HARTFORD, CT 06105		
NIXON PEABODY, LLP ATTORNEYS AT LAW 100 SUMMER ST BOSTON, MA 02110-2131	ATTORNEYS	2,412,538.
INPATIENT CONSULTANTS OF NEW ENGLAND, PC PO BOX 844929 LOS ANGELES, CA 90084-4929	HOSPITALISTS	2,189,288.
PRESIDIO NETWORKED SOLUTIONS GROUP, LLC PO BOX 677638 DALLAS, TX 75267-7638	IT SERVICES	1,393,802.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL CORPORATION 22-2553028 365 MONTAUK AVENUE NEW LONDON, CT 06320	SUPPORT	CT	501(C)(3)	11 TYPE I	N/A		X
(2) LAWRENCE & MEMORIAL FOUNDATION, INC. 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(3) L&M HEALTHCARE, INC. 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SE CT 20-8006123 404 THAMES STREET GROTON, CT 06340	PHYS PRACTICE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(5) VISITING NURSE ASSOCIATE OF SE CT 06-0646616 403 N FRONTAGE ROAD WATERFORD, CT 06385	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION INC 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	11 TYPE I	L&M CORP	X	
(7) LMW HEALTHCARE, INC. 46-0543230 25 WELLS ST WESTERLY, RI 02879	HEALTHCARE	RI	501(C)(3)	11 TYPE I	L&M CORP	X	

DOHP1466

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION, INC. 05-0508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)	11 TYPE I	LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

DOHP1467

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M SYSTEMS, INC. 22-2553637 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	N/A	C				X	
(2) L&M HOMECARE SERVICES, INC. 06-1389272 365 MONTAUK AVENUE NEW LONDON, CT 06320	THERAPY	CT	N/A	C				X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CAYMAN ISLANDS CI	INSURANCE	CI	N/A	C				X	
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSPITAL	TRUST				X	
(5)									
(6)									
(7)									

Part V **Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b	X	
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j	X	
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o	X	
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	L&M PHYSICIAN ASSOCIATION, INC.	F	20,865,372.	CASH
(2)	LMW HEALTHCARE, INC.	F	774,443.	CASH
(3)				
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lawrence + Memorial Corporation and Subsidiaries

Consolidated Financial Statements and Supplemental Information
September 30, 2014 and 2013

Lawrence + Memorial Corporation and Subsidiaries
Index
September 30, 2014 and 2013

	Page(s)
Report of Independent Auditors	1–2
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7–26
Consolidating Supplemental Information	
Consolidating Balance Sheets	27–30
Consolidating Statements of Operations	31–32

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Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Corporation

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We did not audit the financial statements of Visiting Nurse Association of Southeastern Connecticut, Inc., a wholly owned subsidiary, which statements reflect total assets of $20,659,633 and $18,372,801 as of September 30, 2014 and September 30, 2013, respectively, and total revenues of $16,156,841 and $14,990,091 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Visiting Nurse Association of Southeastern Connecticut, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

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T: (860) 241 7000, F: (860) 241 7590, www.pwc.com/us

accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Corporation (the "Corporation") and its subsidiaries at September 30, 2014 and September 30, 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the Unites States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations.

PricewaterhouseCoopers LLP

January 23, 2015

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	$ 16,480,529	$ 11,532,247
Investments	184,426,039	181,339,986
Patient accounts receivable, net of allowance for doubtful accounts of $10,334,227 and $6,158,515, respectively	47,482,954	44,410,454
Other receivables	5,792,415	5,321,417
Inventories	8,393,007	7,501,154
Prepaid expenses and other current assets	3,748,725	3,557,507
Debt service fund	1,304,562	1,306,255
Total current assets	267,628,231	254,969,020
Assets limited as to use		
Cash	182,862	182,366
Construction fund	561,676	9,541,685
Investments held in trust	925,227	985,034
Endowment investments	36,641,428	34,155,796
Funds held in trust by others	11,348,610	10,956,429
Contributions receivable	3,520,787	2,702,993
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	2,247,255
Total assets limited as to use	53,180,590	60,771,558
Intangible assets, net	2,978,625	3,352,875
Other receivables	2,560,786	2,547,462
Deferred financing costs and other assets, net	2,315,752	1,776,176
Property, plant and equipment, net	206,850,299	208,182,039
	$ 535,534,283	$ 531,599,130
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 37,529,850	$ 42,611,470
Accrued vacation and sick pay	14,223,728	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	10,671,516	10,101,654
Due to third party payors	7,257,949	5,870,981
Other current liabilities	582,553	123,017
Current portion of long-term debt	5,476,980	9,347,876
Total current liabilities	75,742,576	80,635,705
Accrued pension and other postretirement benefits	43,216,010	42,309,345
Other liabilities	25,610,890	21,676,677
Long-term debt less current portion	108,587,802	101,001,797
Total liabilities	253,157,278	245,623,524
Net assets		
Unrestricted	241,902,500	246,531,146
Temporarily restricted	24,770,687	24,154,982
Permanently restricted	15,703,818	15,289,478
Total net assets	282,377,005	285,975,606
	$ 535,534,283	$ 531,599,130

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Operations
September 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 453,529,100	$ 372,745,739
Provision for bad debt	(20,298,386)	(14,555,970)
Net revenue less provision for bad debt	433,230,714	358,189,769
Other operating revenues	20,795,287	21,448,860
Net assets released from restriction used for operations	876,203	748,784
Total unrestricted revenues, gains and other support	454,902,204	380,387,413
Expenses		
Salaries and wages	213,467,507	193,780,844
Employee benefits	59,185,837	49,062,244
Supplies	71,998,110	49,529,083
Purchased services	54,475,011	32,278,640
Other	43,427,170	37,265,822
Interest	3,554,919	2,865,011
Depreciation and amortization	27,479,122	23,023,433
Total expenses	473,587,676	387,805,077
Loss from operations	(18,685,472)	(7,417,664)
Nonoperating gains		
Unrestricted investment income	180,488	122,109
Income from investments	9,832,164	7,752,127
Inherent contribution received from purchase of Westerly Hospital	5,284,752	1,796,782
Total nonoperating gains	15,297,404	9,671,018
(Deficit)/excess of revenues over expenses	(3,388,068)	2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	$ (4,628,646)	$ 20,397,805

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets
September 30, 2014 and 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ (3,388,068)	$ 2,253,354
Net unrealized gains on investments	2,028,088	12,046,855
Net assets released from restrictions used for purchase of property, plant and equipment	1,006,500	167,751
Donated equipment	6,350	-
Pension related changes other than periodic pension costs	(4,281,516)	5,929,845
(Decrease)/increase in unrestricted net assets	(4,628,646)	20,397,805
Beginning of year unrestricted net assets	246,531,146	226,133,341
End of year unrestricted net assets	$ 241,902,500	$ 246,531,146
Temporarily restricted net assets		
Income from investments	$ 677,343	$ 668,022
Net assets released from restrictions	(1,882,704)	(916,535)
Inherent contribution received from purchase of Westerly Hospital	-	871,209
Contributions received	421,640	506,462
Change in value of funds held in trust by others	111,315	239,710
Net realized and unrealized gains on investments	1,288,111	1,701,848
Increase in temporarily restricted net assets	615,705	3,070,716
Temporarily restricted net assets		
Beginning of year	24,154,982	21,084,266
End of year	$ 24,770,687	$ 24,154,982
Permanently restricted net assets		
Income from investments	$ 20,569	$ 13,823
Inherent contribution received from purchase of Westerly Hospital	-	9,343,478
Contributions received	80,074	22,888
Change in value of funds held in trust by others	280,866	17,482
Net realized and unrealized gains on investments	32,831	-
Increase in permanently restricted net assets	414,340	9,397,671
Permanently restricted net assets		
Beginning of year	15,289,478	5,891,807
End of year	15,703,818	15,289,478
(Decrease)/increase in net assets	$ (3,598,601)	$ 32,866,192

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended September 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ (3,598,601)	$ 32,866,192
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	27,479,122	23,023,433
Net unrealized and realized gains on investments	(2,963,155)	(13,495,284)
Inherent contribution received from purchase of Westerly Hospital	(4,940,302)	(12,011,469)
Provision for bad debts	20,298,386	14,555,970
Increase in funds held in trust by others	(392,181)	(257,193)
Increase in contributions receivable	(817,794)	(794,898)
Restricted contributions	(1,164,969)	(1,174,484)
Changes in other operating accounts		
Patient accounts receivable, net	(20,461,592)	(20,317,347)
Other receivables, net	(504,322)	(970,777)
Inventories	(891,853)	(1,447,315)
Prepaid expenses and other current assets	(191,218)	(137,568)
Deferred financing costs and other assets	(539,576)	81,328
Accounts payable	(3,713,678)	(2,523,188)
Accrued vacation and sick pay	1,643,021	(1,558,312)
Salaries, wages, payroll taxes and amounts withheld from employees	569,862	3,652,618
Due to third party payors	1,386,968	(1,632,875)
Pension, postretirement and other liabilities	5,674,664	(9,245,208)
Net cash provided by operating activities	16,872,782	8,613,623
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(25,715,324)	(50,503,163)
Purchases of investments	(70,459,536)	(78,938,843)
Sales of investments	77,121,334	107,257,276
Purchase of Westerly Hospital	-	(14,535,558)
Decrease in debt service fund	1,693	855
Increase/(decrease) in funds held in escrow	2,247,255	(130)
Net cash used in investing activities	(16,804,578)	(36,719,563)
Cash flows from financing activities		
Restricted contributions	1,164,969	1,174,484
Principal payments of long term debt	(28,364,994)	(2,938,881)
Proceeds of long term debt	32,080,103	25,446,569
Net cash provided by financing activities	4,880,078	23,682,172
Net decrease in cash and cash equivalents	4,948,282	(4,423,768)
Cash and cash equivalents		
Beginning of year	11,532,247	15,956,015
End of year	$ 16,480,529	$ 11,532,247
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 1,673,118	$ 2,105,176
Contributed securities	$ 1,164,969	$ 1,174,484

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization

Lawrence + Memorial Corporation (the "Corporation") is a not-for-profit organization incorporated under the Nonstock Corporation Act of the State of Connecticut. The Corporation is organized exclusively for public welfare, charitable, scientific, literary and education purposes, including the furtherance of the welfare, programs and activities of Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

The following entities are subsidiaries of the Corporation: Lawrence + Memorial Hospital ("L+M"), L& M Physician Association Inc., L&M Systems, Inc., VNA of Southeastern Connecticut, L&M Healthcare, L&M Indemnity Ltd, VNA of Southeastern Connecticut Inc. and LMW Healthcare Inc. (Westerly Hospital).

Acquisition of Westerly Hospital

On June 1, 2013, the Corporation and its subsidiary, LMW Healthcare, Inc. ("LMW") completed the acquisition of certain assets and liabilities of Westerly Hospital, a 125-bed general acute care hospital located in Westerly, Rhode Island on a 10.6 acre campus. The acquisition was the culmination of a process that included the appointment of W. Mark Russo, Esq. as the special master (the "Special Master") for Westerly Hospital and its affiliates by the Rhode Island Superior Court for the County of Washington (the "RI Court") in December 2011, due to the deteriorating financial condition of Westerly Hospital. The Special Master was granted authority by the RI Court to negotiate the sale of the assets of Westerly Hospital and its affiliates.

The Corporation formed LMW as a Rhode Island nonprofit corporation, and in June 2012, LMW entered into an Asset Purchase Agreement (the "Purchase Agreement") with the Special Master for Westerly Hospital and its affiliates, which was approved by the RI Court in September 2012. The Corporation guaranteed LMW's commitments under the Purchase Agreement. Pursuant to the Purchase Agreement and upon the successful completion of regulatory review by various Rhode Island agencies, the Corporation acquired certain assets and liabilities of Westerly Hospital and its affiliates, in order to expand its care and operations to the Westerly, Rhode Island community. The acquisition of the Westerly Hospital furthers the Corporation and Lawrence + Memorial Hospital's strategy of improving the depth and breadth of services available to all residents in the eastern Connecticut and western Rhode Island regions, without regard to ability to pay. Lawrence + Memorial Hospital expects to reduce unnecessary duplication of effort and costs with Westerly Hospital, while maintaining community access to essential services in the Westerly service area.

As part of the purchase agreement the Corporation agreed to fund $30 million in capital costs for Westerly Hospital over five years after the closing, and agreed to provide up to $6.5 million of working capital for Westerly Hospital over the first two years after the closing.

The fair value of assets and liabilities acquired under this transaction as of June 1, 2013 are as follows:

	2013
Cash	$ 1,563,200
Patient accounts receivable	4,658,183
Inventories	1,550,130
Pledges	750,000
Prepaid expenses	325,650
Investments	6,870,933
Assets held in trust	4,247,816
Intangible assets	3,690,000
Property, plant & equipment	30,850,000
Total assets	54,505,912
Accrued compensation	2,488,190
Accounts payable and accrued expenses	15,052,105
Due to third parties	1,856,951
Asset retirement obligation	1,425,678
Debt	5,572,761
Total liabilities	26,395,685
Net assets acquired	$ 28,110,227

The purchase price of $16,098,758 was paid in cash. The transaction resulted in an inherent contribution of $12,011,469 which has been appropriately allocated to the three net asset classes within the statement of changes in net assets in 2013. The inherent contribution is a result of the value of net assets being acquired exceeding the purchase price. The purchase price allocation was preliminary and has been adjusted as additional information was obtained in 2014. An additional $5.3 million in inherent contribution was recorded in 2014, principally due to $3.1 million better experience on accounts receivable and $1.8 million in better experience on accounts payable.

Intangible assets acquired in conjunction with the Westerly acquisition include:

	Fair value as of June 1, 2013	Amortization Period (in years)	
Patient relationships	$ 1,530,000	10.0	
Medical records	1,350,000	10.0	
Trademark	810,000	8.0	
	$ 3,690,000	9.5	(weighted average)

L&M Healthcare has an affiliation agreement effective January 31, 1999 (the "Agreement") with the Hospice of Southeastern Connecticut, Inc. (the "Hospice"). The Agreement gives L&M Healthcare a membership of the Hospice with one other not-for-profit healthcare organization. L&M Healthcare does not have an equity investment in the Hospice because the affiliation agreement does not require L&M Healthcare to provide capital to the Hospice and L&M Healthcare is not entitled to any of the net assets of the Hospice should the relationship terminate or the Hospice dissolve. The Corporation and its subsidiaries have never given capital to the Hospice and the Hospice has never made capital distributions to the Corporation or its subsidiaries.

L & M Physician Association, Inc. ("LMPA") was formed exclusively for the charitable purpose of benefiting, supporting, and furthering the charitable activities of Lawrence + Memorial Hospital by engaging physicians to provide physician services to the Hospital, organizations affiliated with the Hospital and communities they serve for purpose of practicing medicine and health care services.

Principles of Consolidation
The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Corporation's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation and its subsidiaries in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Corporation and its subsidiaries consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets. Under accounting principles generally accepted in the United States of America, an "other than temporary impairment" is recognized if the Corporation does not expect the fair value of a security to recover above cost or amortized cost. Once an "other than temporary impairment" charge has been recorded, a new cost basis is established.

The Corporation continues to review its securities for appropriate valuation on an ongoing basis. The Corporation determined that none of their investments were impaired as of September 30, 2014 or 2013.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Corporation's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Corporation for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 Quoted prices in active markets for identical assets.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates to discount amounts.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors, contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Corporation's interest in externally managed trusts, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Corporation provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and a 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues over Expenses
The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Corporation and its Subsidiaries for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Corporation purchases claims made professional and general liability insurance to cover medical malpractice claims from L&M Indemnity Ltd. The Hospital, LMPA and VNA have adopted the policy of self-insuring the tail portion of its malpractice insurance coverage. Management accrues its best estimate of losses as incidents which give rise to potential losses occur.

Income Taxes
The Corporation and its subsidiaries are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code, except for L&M Systems. L&M Systems provides for taxes based on current taxable income and the future tax consequences of temporary differences between financial and income tax reporting. Such amounts are not material to the consolidated financial statements.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. The payout is only upon termination of employment.

Labor action update
The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. A contract was reached and ratified and the workforce had a three year contract that was signed in February 2014. The Hospital monitored the negative impact of the strike and lockout on both revenues and expenses. The financial negative impact included in these financials is approximately $14,200,000. This consisted of a reduction in net revenue of approximately $1,900,000 and $12,300,000 of replacement workers, security and reduced salary costs during the strike and lock out period.

Subsequent Events
The Corporation has performed an evaluation of subsequent events through January 23, 2015, which is the date the financial statements were issued.

2. Revenues From Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2014	2013
Gross charges from services to patients	$ 1,078,626,933	$ 837,486,803
Less: Charity care	6,782,933	7,772,037
Charges from services to patients, net of charity care	1,071,844,000	329,714,766
Deductions		
Allowances	615,856,880	455,921,391
State of Connecticut uncompensated care system	2,458,020	1,047,636
Total deductions	618,314,900	456,969,027
Net revenues from services to patients	$ 453,529,100	$ 372,745,739

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The State of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. . In 2014, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements decreased the Hospital's revenues by approximately $1,584,575in 2014 and increased the Hospital's revenue by approximately$1,126,576 in 2013.

During 2014 and 2013, approximately 35% and 33%, respectively, of net patient service revenue was received under the Medicare program, and 11% and 12%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines.

3. Investments

Investments included in current assets consist of the following:

	2014	2013
Other investments		
Cash and cash equivalents	6,293,794	3,618,554
Bonds	40,097,819	38,890,479
Mutual funds	72,596,528	79,030,543
Hedge funds	57,360,354	54,766,338
Private equities	4,535,516	1,884,631
Marketable equities	3,542,028	3,149,441
Total other investments	184,426,039	181,339,986
Funds held in trust by others		
Investments held in trust by others	11,348,610	10,956,429
Total funds held in trust by others	11,348,610	10,956,429
Endowment investments		
Cash and cash equivalents	$ 4,307,512	$ 3,785,088
Bonds	5,061,901	4,823,170
Mutual funds	14,191,010	13,492,698
Hedge funds	6,263,387	5,961,109
Private equities	209,627	112,204
Marketable equities	6,607,991	5,981,527
Total endowment investments	36,641,428	34,155,796
Total investments at fair value	$ 232,416,077	$ 226,452,211

The Corporation's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the by the fair value guidance valuation hierarchy defined above:

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	6,293,794	-	-	6,293,794
Bonds	33,184,269	6,913,550	-	40,097,819
Mutual funds	72,596,528	-	-	72,596,528
Hedge funds	-	-	57,360,354	57,360,354
Private equities	-	-	4,535,516	4,535,516
Marketable equities	3,542,028	-	-	3,542,028
Total other investments	115,616,619	6,913,550	61,895,870	184,426,039
Funds held in trust by others				
Investments held in trust by others	-	-	11,348,610	11,348,610
Total held in trust by others	-	-	11,348,610	11,348,610
Endowment investments				
Cash and cash equivalents	$ 4,307,512	$ -	$ -	$ 4,307,512
Bonds	3,300,408	1,449,067	312,427	5,061,902
Mutual funds	12,613,287	-	1,577,722	14,191,009
Hedge funds	-	-	6,263,387	6,263,387
Private equities	-	-	209,627	209,627
Marketable equities	6,607,991	-	-	6,607,991
Total endowment investments	26,829,198	1,449,067	8,363,163	36,641,428
Total investments at fair value	$ 142,445,817	$ 8,362,617	$ 81,607,643	$ 232,416,077

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Other investments				
Cash and cash equivalents	3,618,554	-	-	3,618,554
Bonds	32,082,552	6,807,927	-	38,890,479
Mutual funds	79,030,543	-	-	79,030,543
Hedge funds	-	-	54,766,338	54,766,338
Private equities	-	-	1,884,631	1,884,631
Marketable equities	3,149,441	-	-	3,149,441
Total other investments	117,881,090	6,807,927	56,650,969	181,339,986
Funds held in trust by others				
Investments held in trust by others	-	-	10,956,429	10,956,429
Total held in trust by others	-	-	10,956,429	10,956,429
Endowment investments				
Cash and cash equivalents	$ 3,785,088	$ -	$ -	$ 3,785,088
Bonds	3,185,997	1,425,678	211,495	4,823,170
Mutual funds	12,044,760	-	1,447,938	13,492,698
Hedge funds	-	-	5,961,109	5,961,109
Private equities	-	-	112,204	112,204
Marketable equities	5,981,527	-	-	5,981,527
Total endowment investments	24,997,372	1,425,678	7,732,746	34,155,796
Total investments at fair value	$ 142,878,462	$ 8,233,605	$ 75,340,144	$ 226,452,211

Fair value for Level 1 is based upon quoted prices in active markets that the Corporation has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Corporation does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Corporations ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement and investments in for-profit companies.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Corporation within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2013	Investment Income	Realized Gains/(losses)	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2014
Investment pool								
Hedge funds	$ 62,396,880	$ 624,650	$ 270,668	$ 2,318,323	$ (158,389)	$ 381,586	$ (268,029)	$ 65,555,689
Private equities	1,996,835	-	387,382	311,627	(66,286)	2,169,982	(76,416)	4,703,144
Funds held in trust	10,956,429	141,409	(38,635)	344,380	(51,615)	-	(3,258)	11,348,610
Total	$ 75,340,144	$ 766,059	$ 619,415	$ 2,974,330	$ (296,170)	$ 2,551,568	$ (347,703)	$ 81,607,643

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 58,124,316	$ 354,977	$ 1,116,631	$ 5,509,944	$ (131,712)	$ 1,037,785	$ (1,827,061)	$ 62,386,880
Private equities	487,257	-	67,055	122,281	(63,590)	1,368,832	(15,000)	1,996,835
Funds held in trust	6,451,420	-	-	322,158	(84,965)	4,247,815	-	10,956,429
Total	$ 63,062,993	$ 354,977	$ 1,183,686	$ 5,954,383	$ (280,267)	$ 6,654,433	$ (1,842,061)	$ 75,340,144

There were no significant transfers of assets between levels for the year ended September 30, 2014.

A summary of the endowment investment return is presented below:

	2014	2013
Investment income	$ 752,014	$ 649,876
Realized and unrealized gains	1,714,027	2,225,435
Management fees and other costs	(55,806)	(47,805)
Total return on endowment investments	$ 2,410,235	$ 2,827,506

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2014.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 15,362,932	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	19,653,964	2	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	25,350,100	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 28 months from the purchase date	None
Commodities	Commodity index	5,149,883	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	4,745,144	3	N/A		Illiquid long term 5 years	None	None	None
		$ 70,259,033							

4. Endowments

The Corporation's endowments consist of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Corporation understands net asset classification guidance to require that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Corporation considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Corporation and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Corporation.

- The investment policies of the Corporation.

Changes in endowment net assets for the year ended September 30:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861
Addition of Westerly Hospital Endowment Net Assets	18,975	-	-	18,975
Investment return				
Investment income	304,778	170,106	20,569	495,453
Net realized and unrealized gain	715,724	1,288,111	32,832	2,036,667
Contributions	183,147	-	80,073	263,220
Total investment return	1,203,649	1,458,217	133,474	2,795,340
Income distribution	-	(139,360)	-	(139,360)
Endowment net assets at end of year	$ 10,460,208	$ 17,497,079	$ 7,382,529	$ 35,359,816

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 6,676,924	$ 13,633,436	$ 2,866,683	$ 23,177,043
Addition of Westerly Hospital Endowment Net Assets	1,714,560	810,769	4,345,662	6,870,991
Investment return				
Investment income	287,500	161,761	(748)	448,513
Net realized and unrealized gain	451,980	1,701,848	14,570	2,168,398
Contributions	126,620	-	22,888	149,508
Total investment return	866,100	1,863,609	36,710	2,766,419
Income distribution	-	(129,592)	-	(129,592)
Endowment net assets at end of year	$ 9,257,584	$ 16,178,222	$ 7,249,055	$ 32,684,861

Endowment funds classified as permanently and temporarily restricted net assets:

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2014	2013
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 17,497,079	$ 16,178,222
Total endowment funds classified as temporarily restricted net assets	$ 17,497,079	$ 16,178,222
Permanently restricted net assets		
Corpus of permanently restricted contributions for which income is to be used for purchase of equipment and healthcare services	$ 7,382,529	$ 7,249,055
Total endowment funds classified as permanently restricted net assets	$ 7,382,529	$ 7,249,055

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets. The Corporation analyzed the endowments and notes there are no deficits as of September 30, 2014 and 2013.

Endowment Investment Return Objectives and Risk Parameters
The Corporation has adopted endowment investment and spending policies that attempt to provide predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Corporation targets a diversified asset allocation to achieve its long-term objectives within prudent Corporation risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporary and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2014 and 2013:

	2014	2013
Temporarily restricted net assets		
Funds held in trust by others	$ 3,799,127	$ 3,687,812
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	16,369,376	15,304,434
Specific purpose reserves	7,321,842	5,412,960
	$ 27,510,711	$ 24,425,572

Permanently restricted net assets at September 30, 2014 and 2013 are restricted to:

	2014	2013
Permanently restricted net assets		
Funds held in trust by others	$ 7,571,288	$ 7,290,422
Donor restricted endowment funds	8,132,530	7,999,056
	$ 15,703,818	$ 15,289,478

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2014	2013
Land and land improvements	$ 23,323,273	$ 21,524,487
Buildings	171,045,151	138,297,388
Equipment	284,414,885	252,682,233
	478,783,309	412,504,108
Less: Accumulated depreciation	(274,060,791)	(250,099,034)
	204,722,518	162,405,074
Construction in progress	2,127,781	45,776,965
	$ 206,850,299	$ 208,182,039

7. Long-Term Debt

	2014	2013
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 30,900,000	$ 33,625,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	-	22,990,000
CHEFA Series G revenue bonds		
3.2% Term Bonds, due 2023, option to extend 2038	29,200,000	-
CHEFA Series H revenue bonds		
Variable rate bonds, due 2023-2034	21,405,000	-
Line of credit	-	18,663,400
Tax exempt lease	9,963,984	11,596,368
Capital lease obligation	246,684	1,010,148
Total debt outstanding	111,520,668	107,689,916
Less: Amounts classified as current	5,476,980	9,347,876
Add: Bond premium	2,544,115	2,659,757
Total long-term portion of long-term debt	$ 108,587,803	$ 101,001,797

On September 15, 2011 the Connecticut Health and Education Facilities Authority ("CHEFA") issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 which began on January 1, 2012.

The Series E bonds were paid early with the issuance of CHEFA series H.

The tax exempt lease was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This lease will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $29,200,000 with an interest rate of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038.

On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank. Interest on the Series H Bonds accrues at the weekly rate and is payable on the first business day of each month commencing January 1, 2014.

Under the terms of the trust indenture for the Series H Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series H Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

The Series H Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Hospital maintains a letter of credit in the amount of $21,405,000 which expires on November 5, 2016. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are monthly installments. The Series H Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

The Corporation had a line of credit with Bank of America-Merrill Lynch for $13,802,758. This was taken as a bridge loan prior to issuance of Series G private Placement. The proceeds of Series G were used to pay off this line of credit on October 10, 2013. LMW Healthcare had a line of credit with Washington Trust for $4,860,642. This line was reissued at time of closing but was paid off in November 2013.

The fair value of the outstanding bonds is $106,215,296 and $78,820,117 at September 30, 2014 and September 30, 2013, respectively.

Principal repayments, excluding capital leases and the line of credit, are as follows:

Years	Annual Principal Repayment
2015	$ 3,660,000
2016	3,825,000
2017	4,010,000
2018	4,165,000
2019 and thereafter	85,650,000
	$ 101,310,000

Cash interest payments of $3,566,051 and $2,682,472 were made in fiscal year 2014 and 2013, respectively. No interest was capitalized during 2014 and 2013.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pensions as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Hospital's plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2014 and 2013 (measurement date of), the significant change in the actuarial loss is predominantly related to the decrease in the discount rate used to determine the benefit obligation at the end of the year:

September 30):

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Change in benefit obligation				
Benefit obligation at beginning of year	$ 145,789,789	$ 147,201,452	$ 1,000,744	$ 1,289,208
Service cost	2,402,724	1,536,115	-	-
Interest cost	6,417,121	5,685,930	29,884	31,620
Employee contributions	69,839	90,611	-	-
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Actuarial (gain)/loss	9,010,698	(2,133,477)	(97,788)	(212,291)
Benefit obligation at end of year	156,674,809	145,789,789	837,437	1,000,744
Change in plan assets				
Fair value of plan assets at beginning of year	105,860,348	98,298,309	-	-
Actual return on plan assets	9,861,899	7,662,270	-	-
Employee contributions	69,839	90,611	-	-
Employer contributions	6,400,000	6,400,000	95,403	107,793
Benefits paid	(7,015,362)	(6,590,842)	(95,403)	(107,793)
Fair value of plan assets at end of year	115,176,724	105,860,348	-	-
Funded status of the plan	(41,498,085)	(39,929,441)	(837,437)	(1,000,744)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	41,399,294	37,008,625	(488,085)	(456,751)
Unrecognized prior service cost	79,157	190,310	-	-
Accrued benefit costs recognized in the statements of operations	$ (19,634)	$ (2,732,506)	$ (1,325,522)	$ (1,457,495)
Components of net periodic benefit costs				
Service cost	$ 2,402,724	$ 1,536,115	$ -	$ -
Interest cost	6,417,121	5,685,930	29,884	31,620
Expected return on plan assets	(7,920,200)	(7,182,524)	-	-
Amortization of net loss/(gain)	2,676,330	3,175,983	(66,454)	(45,046)
Net amortization and deferral	111,153	140,639	-	-
Benefit cost	$ 3,687,128	$ 3,356,143	$ (36,570)	$ (13,426)

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2014	2013
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2014	2013
Discount rate	4.05 %	4.51 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2014	2013
Cash	2 %	3 %
Bonds	24	23
Mutual funds	45	44
Hedge funds	29	30
Total	100 %	100 %

The expected rate of return on plan assets is calculated based on past experience.

Expected benefits to be paid under the Hospital's plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2014	$ 7,399,905
2015	7,694,336
2016	8,101,708
2017	8,234,873
2018	8,658,711
Expected aggregate for 5 fiscal years beginning 2019	47,809,642

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	94,776

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2014 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $56,000 and $71,000, respectively, at September 30, 2014 and 2013. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $51,000 and $65,000, respectively, at September 30, 2014 and 2013.

Plan Assets
The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2014:

	Level 1	Level 2	Level 3	2014
Investments, at fair value				
Cash	$ 2,417,830	$ -	$ -	$ 2,417,830
Bonds	27,571,791	-	-	27,571,791
Mutual funds	46,557,396	5,171,869	-	51,729,265
Hedge funds	-	-	33,457,838	33,457,838
Total investments, at fair value	$ 76,547,017	$ 5,171,869	$ 33,457,838	$ 115,176,724

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,961	$ -	$ -	$ 3,043,961
Bonds	24,488,654	-	-	24,488,654
Mutual funds	41,880,187	4,553,588	-	46,433,775
Hedge funds	-	-	31,893,958	31,893,958
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,348

There were no transfers between levels during 2014 or 2013.

The table below represents the change in fair value measurements for Level 3 investments held by the plans for the years ended September 30.

	2014	2013
Beginning balances	$ 31,893,958	$ 28,795,536
Realized gains	4,588,368	33,459
Fees	(79,614)	(65,081)
Unrealized gains	(2,944,874)	3,130,044
Purchases	-	-
Sales	-	-
Ending balances	$ 33,457,838	$ 31,893,958

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elected to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $4,584,389 and $4,618,626 for 2014 and 2013, respectively.

The VNA has a defined contribution pension plan which covers substantially all of its employees who have met specified age and length of service requirements. Contributions to the Plan are based on 5% of eligible salaries and totaled approximately $463,475 and $446,631 for the years ended September 30, 2014 and 2013, respectively.

9. Functional Expenses

The Corporation and its subsidiaries provide general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2014	2013
Health care services	$ 348,719,365	$ 293,416,325
General and administrative	124,868,311	94,388,752
	$ 473,587,676	$ 387,805,077

10. Commitments and Contingencies

The Corporation and its subsidiaries are parties to various lawsuits incidental to their business. Management believes that the lawsuits will not have a material adverse effect on their financial position, results of operations, and changes in net assets or cash flows.

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 6,917,676	$ 334,893	$ -	$ 7,252,569	$ -	$ 1,901,701	$ 950,345	$ 1,875,245	$ 4,700,668	$ -	$ 16,480,529
Investments	128,450,331	31,541,423	-	159,991,754	-	-	16,769,765	7,523,944	140,576	-	184,426,039
Patient accounts receivable, net	36,373,069	-	-	36,373,069	-	2,378,629	-	2,740,706	5,990,550	-	47,482,954
Other receivables	4,156,260	-	-	4,156,260	24,500	289,393	1,322,262	-	-	-	5,792,415
Inventories	6,580,753	-	-	6,580,753	-	-	-	-	1,812,254	-	8,393,007
Due from affiliates	1,954,838	24,500	(1,954,838)	24,500	2,215,430	-	-	-	-	(2,239,930)	-
Prepaid expenses and other current assets	2,689,506	-	-	2,689,506	-	545,898	16,143	438,951	58,427	-	3,748,725
Debt service fund	1,304,562	-	-	1,304,562	-	-	-	-	-	-	1,304,562
Total current assets	188,426,995	31,900,816	(1,954,838)	218,372,973	2,239,930	5,115,621	19,058,515	12,378,846	12,702,476	(2,239,930)	267,628,231
Assets limited as to use											
Cash	182,662	-	-	182,662	-	-	-	-	-	-	182,662
Construction funds	561,676	-	-	561,676	-	-	-	-	-	-	561,676
Investments held in trust	925,227	-	-	925,227	-	-	-	-	-	-	925,227
Endowment investments	18,987,307	3,565,739	-	22,553,100	-	-	-	6,654,619	7,433,703	-	36,641,428
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,985,614	-	-	6,985,614	-	-	-	-	4,362,996	-	11,348,610
Contributions receivable	20,366	2,750,421	-	2,770,787	-	-	-	-	750,000	-	3,520,787
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	-	-	-	-	-	-	-	-	-	-	-
Total assets limited as to use	27,663,112	25,597,607	-	53,260,718	-	-	-	6,654,619	12,546,699	(19,281,447)	53,180,590
Other assets											
Intangible assets, net	-			-	-	-	-	-	2,978,625	-	2,978,625
Other receivables	16,536,719	-	-	16,536,719	-	2,137,101	287,916	-	-	(16,380,950)	2,580,786
Deferred financing costs and other assets, net	2,315,752	-	-	2,315,752	-	-	-	-	-	-	2,315,752
Property, plant and equipment											
Land improvements	8,646,232	12,330,635	-	21,176,867	-	-	-	330,275	1,816,131	-	23,323,273
Buildings/leasehold improvements	150,910,346	-	-	150,910,346	-	1,046,733	-	2,238,496	16,849,576	-	171,045,151
Equipment/furniture	265,024,485	17,010	-	265,041,495	-	976,188	-	994,431	17,432,771	-	284,414,885
Accumulated depreciation	(265,615,130)	(104,684)	-	(265,719,814)	-	(973,022)	-	(1,937,034)	(5,430,921)	-	(274,060,791)
Construction in progress	1,691,863	-	-	1,691,863	-	-	-	-	435,918	-	2,127,781
Property, plant and equipment, net	160,857,796	12,242,961	-	173,100,757	-	1,049,899	-	1,626,168	31,073,475	-	206,850,299
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,431	$ 20,659,633	$ 58,301,275	$ (37,902,327)	$ 535,534,263

DOHP1500

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 25,756,034	$ 115,809	$ -	$ 25,901,843	$ -	$ 343,515	$ 197,453	$ 1,615,548	$ 9,471,491	$ -	$ 37,529,850
Accrued vacation and sick pay	11,281,701	-	-	11,281,701	-	1,695,316	-	-	1,346,711	-	14,223,728
Salaries, wages, payroll taxes and amounts withheld from employees	5,950,567	-	-	5,950,567	-	3,536,119	-	-	1,184,830	-	10,671,516
Due to affiliates	2,215,430	1,912,595	(1,954,838)	2,173,187	66,743	-	-	-	-	(2,239,930)	-
Due to third party payors	5,165,225	-	-	5,165,225	-	-	-	234,000	1,858,724	-	7,257,949
Other current liabilities	-	-	-	-	-	-	428,096	154,457	-	-	582,553
Current portion of long-term debt	5,342,305	-	-	5,342,305	-	-	-	-	134,675	-	5,476,980
Total current liabilities	55,741,262	2,028,404	(1,954,838)	55,814,828	66,743	5,474,950	625,549	2,004,005	13,996,431	(2,239,930)	75,742,576
Accrued pension and other postretirement benefits	43,218,010	-	-	43,218,010	-	-	-	-	-	-	43,218,010
Other liabilities	20,601,530	-	-	20,601,530	-	3,744,380	17,719,580	-	1,335,389	(17,789,869)	25,610,890
Long-term debt less current portion	108,587,802	-	-	108,587,802	-	-	-	-	-	-	108,587,802
Total liabilities	228,148,604	2,028,404	(1,954,838)	228,220,170	66,743	9,219,330	18,345,129	2,004,005	15,331,820	(20,029,099)	253,157,278
Net assets											
Unrestricted	138,173,767	67,562,541	-	205,736,308	2,173,187	(916,909)	1,001,322	18,628,628	33,152,392	(17,872,428)	241,302,500
Temporarily restricted	23,432,028	150,439	-	23,582,467	-	-	-	-	1,188,220	-	24,770,687
Permanently restricted	6,047,975	-	-	6,047,975	-	-	-	27,000	9,628,643	-	15,703,618
Total net assets	167,653,770	67,712,980	-	235,366,750	2,173,187	(916,909)	1,001,322	18,655,628	43,969,456	(17,872,428)	282,377,005
	$ 395,800,374	$ 69,741,384	$ (1,954,838)	$ 463,586,920	$ 2,239,930	$ 8,302,421	$ 19,346,451	$ 20,659,633	$ 59,301,275	$ (37,902,327)	$ 535,534,283

DOHP1501

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Assets											
Current assets											
Cash and cash equivalents	$ 416,966	$ 128,669	$ -	$ 545,637	$ -	$ 2,024,446	$ 82,453	$ 783,154	$ 8,093,557	$ -	$ 11,532,247
Investments	130,960,162	29,022,418	-	159,972,580	-	-	14,317,980	7,048,416	-	-	181,339,986
Patient accounts receivable,net	33,903,908	-	-	33,903,908	-	2,259,926	-	2,471,162	5,775,458	-	44,410,454
Other receivables	3,977,343	-	-	3,977,343	559,500	280,553	504,021	-	-	-	5,321,417
Inventories	5,845,470	-	-	5,845,470	-	13,280	-	-	1,842,404	-	7,501,154
Due from affiliates	1,316,775	24,500	(1,316,775)	24,500	1,867,732	-	-	-	-	(1,892,232)	-
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097	-	586,555	2,893	420,324	291,638	-	3,557,507
Debt service fund	1,306,255	-	-	1,306,255	-	-	-	-	-	-	1,306,255
Total current assets	179,074,976	29,175,587	(1,316,775)	207,034,790	2,427,232	5,164,760	14,907,367	10,724,056	16,003,057	(1,892,232)	264,969,020
Assets limited as to use											
Cash	182,366	-	-	182,366	-	-	-	-	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685	-	-	-	-	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034	-	-	-	-	-	-	985,034
Endowment investments	17,922,954	3,390,079	-	21,223,033	-	-	-	5,961,912	6,970,851	-	34,155,796
Investment in subsidiaries	-	19,281,447	-	19,281,447	-	-	-	-	-	(19,281,447)	-
Funds held in trust by others	6,773,578	-	-	6,773,678	-	-	-	-	4,182,851	-	10,956,429
Contributions receivable	20,366	1,932,627	-	1,952,993	-	-	-	-	750,000	-	2,702,993
Funds held in escrow by agreement with	-	-	-	-	-	-	-	-	-	-	-
State of Connecticut Health and	-	-	-	-	-	-	-	-	-	-	-
Educational Facilities Authority and trustees	2,247,255	-	-	2,247,255	-	-	-	-	-	-	2,247,255
Total assets limited as to use	37,673,238	24,514,153	-	62,187,391	-	-	-	5,961,912	11,903,702	(19,281,447)	60,771,558
Other assets											
Intangible assets, net	-	-	-	-	-	-	-	-	3,352,675	-	3,352,675
Other receivables	13,694,110	-	-	13,694,110	-	1,119,441	418,676	-	-	(12,684,764)	2,547,462
Deferred financing costs and other assets, net	1,776,176	-	-	1,776,176	-	-	-	-	-	-	1,776,176
Property, plant and equipment											
Land improvements	7,343,577	12,330,635	-	19,674,212	-	-	-	330,275	1,520,000	-	21,524,487
Building/leasehold improvements	120,101,634	-	-	120,101,634	-	1,339,331	-	2,238,496	14,617,927	-	138,297,388
Equipment/furniture	234,099,872	21,774	-	234,121,646	-	902,809	-	947,778	16,710,300	-	252,682,233
Accumulated depreciation	(245,331,839)	(47,756)	-	(245,379,595)	-	(1,153,698)	-	(1,829,718)	(1,736,025)	-	(250,099,034)
Construction in progress	45,776,965	-	-	45,776,965	-	-	-	-	-	-	45,776,965
Property, plant and equipment, net	161,990,209	12,304,653	-	174,294,862	-	1,088,142	-	1,686,833	31,112,202	-	208,182,039
	$ 395,108,711	$ 65,395,393	$ (1,316,775)	$ 459,787,320	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,699,130

DOHP1502

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	L&MPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Liabilities and Net Assets											
Current liabilities											
Accounts payable	$ 24,079,687	$ 148,360	$ -	$ 24,228,047	$ -	$ 204,726	$ 75,246	$ 1,470,128	$ 16,033,323	$ -	$ 42,011,470
Accrued vacation and sick pay	11,523,272	-	-	11,523,272	-	1,057,435	-	-	-	-	12,580,707
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	-	-	4,495,457	-	2,351,953	-	-	3,254,244	-	10,101,654
Due to affiliates	1,887,732	756,960	(1,316,775)	1,309,917	582,315	-	-	-	-	(1,892,232)	-
Due to third party payors	3,826,084	-	-	3,826,084	-	-	-	251,000	1,793,687	-	5,870,981
Other current liabilities	-	-	-	-	-	-	13,606	109,411	-	-	123,017
Current portion of long-term debt	4,467,234	-	-	4,467,234	-	-	-	-	4,860,642	-	9,347,876
Total current liabilities	50,279,476	907,320	(1,316,775)	49,870,021	582,315	3,614,114	88,852	1,830,539	26,942,096	(1,892,232)	80,035,705
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345	-	-	-	-	-	-	42,309,345
Other liabilities	17,774,823	-	-	17,774,823	-	2,407,116	13,906,589	-	1,425,678	(13,837,328)	21,676,877
Long-term debt less current portion	86,439,477	13,802,756	-	100,242,233	-	-	-	-	759,562	-	101,001,797
Total liabilities	196,803,121	14,710,076	(1,316,775)	210,196,424	582,315	6,021,229	13,995,441	1,830,539	28,727,336	(15,729,760)	245,622,524
Net assets											
Unrestricted	170,160,088	50,262,838	-	220,422,924	1,844,917	1,351,114	1,330,591	16,515,262	23,185,021	(16,128,683)	246,531,146
Temporarily restricted	22,195,249	1,022,479	-	23,220,727	-	-	-	-	934,255	-	24,154,982
Permanently restricted	5,947,254	-	-	5,947,254	-	-	-	27,000	9,315,224	-	15,289,478
Total net assets	198,305,590	51,285,316	-	249,590,905	1,844,917	1,351,114	1,330,591	16,542,262	33,444,500	(16,128,683)	285,975,606
	$ 395,108,711	$ 65,995,393	$ (1,316,775)	$ 459,787,329	$ 2,427,232	$ 7,372,343	$ 15,326,032	$ 18,372,801	$ 62,171,836	$ (33,858,443)	$ 531,599,130

DOHP1503

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2014

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	VNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 337,129,192	$ -	$ -	$ 337,129,192	$ -	$ 29,333,784	$ -	$ 12,091,733	$ 74,974,391	$ -	$ 453,529,100
Provision for bad debt	(14,930,302)	-	-	(14,930,302)	-	(534,484)	-	(75,000)	(4,758,000)	-	(20,298,456)
Net revenue less provision for bad debt	322,198,890	-	-	322,198,890	-	28,799,300	-	12,016,733	70,215,791	-	433,230,714
Other operating revenues	28,151,661	2,958,303	-	31,109,364	486,265	4,787,661	5,376,504	4,140,108	2,963,560	(28,068,175)	20,785,287
Net assets released from restriction	571,787	204,406	-	576,203	-	-	-	-	-	-	576,203
	351,021,746	3,162,709	-	354,184,457	486,265	33,586,861	5,376,504	16,156,841	73,179,351	(28,068,175)	454,902,204
Operating expenses											
Salaries and wages	143,838,674	-	-	143,838,674	-	37,356,344	-	10,811,796	28,074,499	(6,613,808)	213,467,507
Employee benefits	51,044,718	-	-	51,044,718	-	6,483,061	-	3,598,219	6,454,031	(7,304,212)	59,185,837
Supplies	59,533,141	205,897	-	59,745,038	-	1,334,391	-	330,396	10,580,285	-	71,998,110
Purchased services	39,647,767	518,743	-	39,166,510	19,330	3,462,524	334,638	480,257	15,344,077	(4,332,235)	54,475,011
Other	34,490,156	42,546	-	34,532,702	122,200	7,849,748	5,498,160	937,962	4,066,583	(9,568,175)	43,427,170
Interest	3,542,721	8,500	-	3,551,221	-	-	-	-	419,698	(416,000)	3,554,919
Depreciation and amortization	22,728,484	61,692	-	22,790,178	-	234,288	-	107,318	4,347,360	-	27,479,122
	355,830,661	836,378	-	354,669,039	141,530	60,720,356	5,820,888	15,265,960	69,294,533	(28,324,430)	473,567,676
(Loss) from operations	(2,808,913)	2,324,331	-	(484,582)	344,735	(23,133,395)	(444,184)	890,891	3,884,818	256,255	(18,665,472)
Nonoperating gains											
Unrestricted investment income	160,488	-	-	160,488	-	-	-	-	-	-	160,488
Income from investments	8,608,113	355,103	-	8,963,216	-	-	203,572	652,017	13,359	-	9,832,164
Inherent contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	5,284,752	-	5,284,752
	8,768,601	355,103	-	9,143,704	-	-	203,572	652,017	5,298,111	-	15,297,404
(Deficit)/excess of revenues over expenses	5,979,868	2,679,434	-	5,658,122	344,735	(23,133,395)	(240,622)	1,542,908	9,182,929	256,255	(3,368,068)
Net unrealized gains/(losses) on investments	31,069	1,515,218	-	1,546,277	-	-	(88,647)	570,358	-	-	2,028,088
Transfer to L & M Affiliate	(33,801,262)	12,237,912	-	(21,623,350)	(16,465)	20,665,372	-	-	774,443	-	-
Net assets released from restrictions used for purchases of property and equipment	139,360	867,140	-	1,006,500	-	-	-	-	-	-	1,006,500
Donated equipment	6,350	-	-	6,350	-	-	-	-	-	-	6,350
Pension related changes other than periodic pension costs	(4,281,518)	-	-	(4,281,518)	-	-	-	-	-	-	(4,281,518)
Decrease in unrestricted net assets	$ (31,986,321)	$ 17,299,704	$ -	$ (14,686,617)	$ 328,270	$ (2,268,023)	$ (329,269)	$ 2,113,366	$ 9,957,372	$ 256,255	$ (4,628,648)

DOHP1504

Lawrence + Memorial Corporation and Subsidiaries
Consolidating Statement of Operations
Year Ended September 30, 2013

	Lawrence & Memorial Hospital	Lawrence & Memorial Corporation	Eliminating Entries	Obligated Group	L&M Systems, Inc.	LMPA	L&M Indemnity	PNA of Southeastern Connecticut, Inc.	Westerly Hospital	Eliminating Entries	Consolidated
Net revenues from services to patients	$ 315,384,186	$ -	$ -	$ 315,384,186	$ -	$ 21,992,422	$ -	$ 10,990,257	$ 25,380,974	$ -	$ 372,746,739
Provision for bad debt	(12,127,746)			(12,127,746)		(315,936)		(78,100)	(2,038,188)		(14,556,970)
Net revenue less provision for bad debt	303,256,360	-	-	303,256,360	-	20,607,380	-	10,885,237	23,360,786	-	358,189,769
Other operating revenues	19,302,810	2,085,389	-	22,278,199	952,925	9,172,984	8,080,077	4,104,664	700,630	(17,440,780)	21,448,669
Net assets released from restriction	508,227	240,557	-	748,784	-	-	-	-	-	-	748,784
	323,357,397	2,325,946	-	326,283,343	952,925	29,780,364	8,080,077	14,990,081	24,061,416	(17,440,780)	380,387,416
Operating expenses											
Salaries and wages	149,825,846	-	-	149,825,846	-	26,540,185	-	10,259,905	9,459,000	(2,264,186)	193,760,844
Employee benefits	43,535,428	-	-	43,535,428	-	4,434,803	-	2,693,126	2,642,707	(4,243,089)	49,062,244
Supplies	45,171,409	241,132	-	45,412,541	-	870,017	-	268,625	2,977,500	-	49,528,683
Purchased services	29,622,136	3,294,240	-	29,916,376	19,308	1,859,339	190,264	97,750	5,341,642	(2,152,028)	32,278,640
Other	33,258,775	146,028	-	33,390,803	306,857	5,056,318	4,819,614	1,184,934	1,084,108	(9,174,808)	37,265,822
Interest	2,705,625	39,577	-	2,744,802	-	-	-	-	120,409	-	2,865,211
Depreciation and amortization	20,641,159	38,526	-	20,679,685	-	243,931	-	126,767	1,973,690	-	23,023,433
	315,753,780	3,759,503	-	326,513,283	326,165	39,503,169	5,009,878	14,611,202	23,599,426	(17,835,031)	387,805,077
Income from operations	7,603,617	(933,561)	-	6,770,056	626,760	(9,722,805)	3,070,199	378,879	461,990	414,233	(7,417,661)
Nonoperating gains											
Unrestricted investment income	122,109	-	-	122,109	-	-	-	-	-	-	122,109
Income(loss) from investments	6,041,461	801,712	-	6,923,173	-	-	195,869	630,012	373	-	7,752,127
Interest contribution received from purchase of Westerly Hospital	-	-	-	-	-	-	-	-	17,895,540	(16,096,758)	1,798,782
	6,163,570	801,712	-	7,045,282	-	-	195,869	630,012	17,895,913	(16,096,758)	9,671,018
Excess of revenues over expenses	10,767,187	48,151	-	10,815,338	226,763	(14,042,815)	1,571,778	1,008,901	18,357,903	(15,664,520)	2,253,384
Net unrealized (losses)/gains on investments	9,113,432	2,590,798	-	11,704,230	-	-	(141,649)	484,474	-	-	12,046,855
Transfer to L & M Affiliate	1,136,545	(21,837,640)	-	(20,701,095)	139,626	15,224,357	-	-	4,637,112	-	-
Net assets released from restrictions used for purchases of property and equipment	167,751	-	-	167,751	-	-	-	-	-	-	167,751
Donated equipment	-	-	-	-	-	-	-	-	-	-	-
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845	-	-	-	-	-	-	5,929,845
Decrease in unrestricted net assets	$ 27,114,760	$ (19,196,691)	$ -	$ 7,916,069	$ 366,389	$ 1,661,542	$ 1,429,929	$ 1,493,375	$ 23,195,021	$ (15,664,520)	$ 20,397,835

DOHP1505

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10/01, 2012, and ending 09/30, 20 13

B Check if applicable:
- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization
LAWRENCE & MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
365 MONTAUK AVENUE

City, town or post office, state, and ZIP code
NEW LONDON, CT 06320

D Employer identification number
06-0646704

E Telephone number
(860) 442-0711

G Gross receipts $ 330,277,516.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? Yes [X] No [ ]

H(b) Are all affiliates included? Yes [ ] No [ ]

If "No," attach a list. (see instructions)

I Tax-exempt status: [ ] 501(c)(3) [ ] 501(c) ( ) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

H(c) Group exemption number ▶

J Website: HOSPITAL.ORG

K Form of organization: [ ] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1912 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO IMPROVE THE HEALTH OF THE REGION.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	11.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7.
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,724.
6	Total number of volunteers (estimate if necessary)	6	315.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,330,569.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	810,082.	813,756.
9	Program service revenue (Part VIII, line 2g)	336,259,109.	318,911,102.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,333,151.	7,077,778.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,169,383.	2,094,550.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	344,571,725.	328,897,186.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	187,431,350.	187,641,751.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	77,139.	108,733.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,145,167.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	130,687,909.	124,277,351.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	318,196,398.	312,027,835.
19	Revenue less expenses. Subtract line 18 from line 12	26,375,327.	16,869,351.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	368,182,035.	393,527,817.
21	Total liabilities (Part X, line 26)	198,186,413.	194,363,317.
22	Net assets or fund balances. Subtract line 21 from line 20	169,995,622.	199,164,500.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

BRUCE CUMMINGS — PRESIDENT/CEO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
GWEN SPENCER		8-7-14		P00641463

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP — Firm's EIN ▶ 13-4008324

Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110 — Phone no. 617-530-5000

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

JSA
2E1010 1.000
33042N 7377

DOHP1506

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box . . . . . ▶ X

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions Employer identification number (EIN) or
	LAWRENCE & MEMORIAL HOSPITAL	06-0646704
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 365 MONTAUK AVENUE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ EUGENE INZANA,
  Telephone No. ▶ 860 442-0711 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ ☐. If it is for part of the group, check this box . . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 08/15, 20 14.

5 For calendar year _____, or other tax year beginning 10/01, 20 12, and ending 09/30, 20 13.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE AND COMPLETE AN ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ _____ Title ▶ CPA Date ▶ 5/5/14

Form **8868**
(Rev. January 2013)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return. See instructions.	LAWRENCE & MEMORIAL HOSPITAL	06-0646704
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720- (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ BRUCE CUMMINGS

Telephone No. ▶ 860 442-0711 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 05/15, 20 14, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [ ] calendar year 20 ____ or

▶ [X] tax year beginning 10/01, 2012, and ending 09/30, 2013.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:
TO IMPROVE THE HEALTH OF THE REGION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 226,536,766. including grants of $) (Revenue $ 318,937,073.)
SEE SCHEDULE O

4b (Code:) (Expenses $ 716,509. including grants of $) (Revenue $ 4,029.)
EDUCATIONAL PROGRAMS

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 227,253,275.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 207		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a 2,724		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶ NETHERLANDS See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . . 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state? . . . . . **Note.** See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year.	1a 11		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . .	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☒ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶BRUCE CUMMINGS 365 MONTAUK AVENUE, NEW LONDON, CT 06320 860-442-0711

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JAY E. ALLEN, DMD	2.00									
SECRETARY - AS OF 12/12/12	2.00	X		X				0	0	0
(2) ULYSSES B. HAMMOND	2.00									
CHAIRMAN	4.00	X		X				0	0	0
(3) CAROL O. RIDGEWAY	2.00									
DIRECTOR	2.00	X						0	0	0
(4) SCOTT D. BATES	2.00									
VICE CHAIRMAN - AS OF 12/12	4.00	X		X				0	0	0
(5) MARY ELLEN JUKOSKI, EDD	2.00									
DIRECTOR	2.00	X						0	0	0
(6) BRUCE D. CUMMINGS	29.25									
PRESIDENT/CEO	10.75	X		X				639,015.	0	94,876.
(7) HENRY AMDUR, MD	2.00									
PAST PRESIDENT, MEDICAL STAFF	38.00	X		X				13,653.	379,294.	17,419.
(8) DONALD J. FELITTO, MD	2.00									
PRESIDENT, MEDICAL STAFF	2.00	X		X				37,631.	0	0
(9) DAVID F. REISFELD, MD	2.00									
VP, MED STAFF	38.00	X		X				0	376,610.	34,798.
(10) B. MICHAEL RAUH, JR.	2.00									
TREASURER - AS OF 12/12/12	2.00	X		X				0	0	0
(11) JAMES MITCHELL, PHD	2.00									
DIRECTOR - AS OF 12/12/12	0	X						0	0	0
(12) R. ALAN HUNTER	2.00									
DIRECTOR - UNTIL 12/12/12	6.00	X						0	0	0
(13) ROBERT KELTNER, MD	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						80,237.	0	0
(14) MARILYNN MALERBA	2.00									
SECRETARY - UNTIL 12/12/12	6.00	X		X				0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) GRANVILLE MORRIS	2.00									
VICE CHAIRMAN - UNTIL 12/12/12	4.00	X		X				0	0	0
(16) LEON J. OLIVIER	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(17) FRED A. CONTI, CPA	2.00									
TREASURER - UNTIL 12/12/12	2.00	X		X				0	0	0
(18) KATHLEEN STEAMER, CPA	2.00									
DIRECTOR - UNTIL 12/12/12	2.00	X						0	0	0
(19) EUGENE INZANA	30.00									
VP CHIEF FINANCIAL OFFICER	10.00			X				354,521.	0	61,083.
(20) ATTORNEY MAUREEN ANDERSON	32.00									
ASSISTANT SECRETARY	8.00			X				263,121.	0	50,294.
(21) WILLIAM STANLEY	38.00									
VP DEV & COMMUNITY RELATIONS	2.00				X			205,203.	0	47,112.
(22) DANIEL RISSI, MD	34.00									
VP CHEIF MEDICAL OFFICER	6.00				X			405,192.	0	60,319.
(23) KIMBERLY KALAJAINEN	34.00									
VP CHEIF INFORMATION OFFICER	6.00				X			221,170.	0	48,907.
(24) CRISTA DURAND	40.00									
VP STRATEGIC PLANNING/MKTG	0				X			284,443.	0	52,533.
(25) LAUREN WILLIAMS	40.00									
VP PATIENT CARE SERVICES	0				X			261,903.	0	37,325.
1b Sub-total ▶								770,536.	755,904.	147,093.
c Total from continuation sheets to Part VII, Section A ▶								3,367,500.	0	521,113.
d Total (add lines 1b and 1c) ▶								4,138,036.	755,904.	668,206.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 174

	Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 23

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) PAMELA KANE	0									
VP PHYSICIANS PRACTICE	40.00				X			233,573.	0	49,085.
(27) DONNA EPPS	40.00									
VP CHIEF HR OFFICER	0				X			179,371.	0	17,866.
(28) GARTH BALLANTYNE	40.00									
CHAIRMAN DEPT OF SURGERY	0					X		194,326.	0	4,223.
(29) GERALDINE RUFFA	40.00									
MEDICAL DIRECTOR, PHYSICIAN	0					X		229,707.	0	33,045.
(30) KENNETH CIKATZ	40.00									
PHARMACIST	0					X		189,198.	0	24,606.
(31) PAUL CHAUSSE	40.00									
DIRECTOR OF REVENUE CYCLE	0					X		174,636.	0	15,988.
(32) GARY CASS	40.00									
DIRECTOR HR/LABOR RELATIONS	0					X		171,136.	0	18,727.

1b Sub-total ▶			
c Total from continuation sheets to Part VII, Section A ▶			
d Total (add lines 1b and 1c) ▶			

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 174

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	578,303.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	235,453.			
	g Noncash contributions included in lines 1a-1f $					
	h Total. Add lines 1a-1f ▶		813,756.			
Program Service Revenue		Business Code				
	2a NET PATIENT SERVICES	900099	298,930,165.	298,930,165.		
	b LAB TESTING - OPP	900099	2,245,635.		2,245,635.	
	c EMPLOYEE ASSISTANCE PROGRAM	900099	84,934.		84,934.	
	d PARAMEDIC SERVICES	900099	3,184,485.	3,184,485.		
	e OTHER PROGRAM SERVICE REVENUE	900099	14,465,883.	14,465,883.		
	f All other program service revenue					
	g Total. Add lines 2a-2f ▶		318,911,102.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		6,806,956.			6,806,956.
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
		(i) Real	(ii) Personal			
	6a Gross rents	1,054,282.				
	b Less: rental expenses					
	c Rental income or (loss)	1,054,282.				
	d Net rental income or (loss) ▶		1,054,282.			1,054,282.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	1,442,552.	9,600.			
	b Less: cost or other basis and sales expenses	1,380,330.				
	c Gain or (loss)	262,222.	8,600.			
	d Net gain or (loss) ▶		270,822.			270,822.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶		0			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶		0			
	Miscellaneous Revenue	Business Code				
	11a DINING ROOM	900099	1,040,268.			1,040,268.
	b					
	c					
	d All other revenue					
	e Total. Add lines 11a-11d ▶		1,040,268.			
	12 Total revenue. See instructions ▶		328,397,136.	316,580,533.	2,330,569.	9,172,328.

Form 990 (2012)

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 15	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,800,706.		3,562,383.	238,323.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	140,743,658.	108,185,505.	32,284,025.	274,128.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,356,142.	2,516,083.	833,684.	6,375.
9 Other employee benefits	29,359,014.	22,010,304.	7,292,939.	55,771.
10 Payroll taxes	10,382,231.	7,783,506.	2,579,003.	19,722.
11 Fees for services (non-employees):				
a Management	0			
b Legal	1,395,693.	72,913.	1,322,780.	
c Accounting	500.		500.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	108,733.			108,733.
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	6,649,456.	6,021,784.	627,672.	
12 Advertising and promotion	0			
13 Office expenses	5,858,062.	4,066,215.	1,733,970.	57,877.
14 Information technology	4,275,031.	698,845.	3,565,356.	10,830.
15 Royalties	0			
16 Occupancy	7,158,564.	1,962,786.	5,196,048.	-270.
17 Travel	433,562.	147,585.	282,384.	3,593.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	2,705,025.	2,705,025.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	20,641,159.	11,866,270.	8,774,512.	377.
23 Insurance	5,787,779.	5,787,779.		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SVCS	19,007,235.	8,909,376.	10,080,420.	17,439.
b MEDICAL & SURGICAL	39,068,535.	38,788,800.	273,071.	6,664.
c EQUIP RENTAL & MAINTENANCE	6,881,159.	4,980,129.	1,901,030.	
d CONSULTING	2,398,356.	2,700.	2,271,452.	124,204.
e All other expenses	2,017,235.	747,670.	1,048,164.	221,401.
25 **Total functional expenses.** Add lines 1 through 24e	312,027,835.	227,253,275.	83,629,393.	1,145,167.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . . ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	0	1	0
	2	Savings and temporary cash investments	13,749,443.	2	483,541.
	3	Pledges and grants receivable, net	20,366.	3	20,366.
	4	Accounts receivable, net	27,406,867.	4	32,485,521.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	639,609.	7	304,200.
	8	Inventories for sale or use	4,469,470.	8	5,845,470.
	9	Prepaid expenses and deferred charges	2,004,576.	9	2,256,097.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 407,322,048.			
	b	Less: accumulated depreciation — 10b: 245,331,839.	134,926,548.	10c	161,990,209.
	11	Investments - publicly traded securities	155,656,275.	11	149,858,150.
	12	Investments - other securities. See Part IV, line 11	6,451,420.	12	6,773,578.
	13	Investments - program-related. See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets. See Part IV, line 11	22,857,461.	15	33,510,685.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	368,182,035.	16	393,527,817.
Liabilities	17	Accounts payable and accrued expenses	38,902,181.	17	37,658,612.
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	79,493,826.	20	88,266,954.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	79,790,406.	25	68,437,751.
	26	**Total liabilities.** Add lines 17 through 25	198,186,413.	26	194,363,317.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	144,038,576.	27	171,018,998.
	28	Temporarily restricted net assets	20,092,239.	28	22,198,248.
	29	Permanently restricted net assets	5,864,807.	29	5,947,254.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	169,995,622.	33	199,164,500.
	34	Total liabilities and net assets/fund balances	368,182,035.	34	393,527,817.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	328,897,186.
2	Total expenses (must equal Part IX, column (A), line 25)	2	312,027,835.
3	Revenue less expenses. Subtract line 2 from line 1	3	16,869,351.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	169,995,622.
5	Net unrealized gains (losses) on investments	5	10,776,870.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	1,522,657.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	199,164,500.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

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SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2011 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2011** Schedule A, Part III, line 17	18	%

19a **331/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 331/3%, and line 17 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **331/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 331/3%, and line 18 is not more than 331/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2012

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HEALTHY START STATE GRANTS 34 EAST TOWN STREET NORWICH, CT 06360	$ 50,844.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	AIDS PROGRAM STATE GRANT STATE OF CONNECTICUT HARTFORD, CT 06103	$ 92,857.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	HIGH RISK INFANTS STATE GRANTS 505 HUDSON STREET HARTFORD, CT 06106	$ 71,398.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	CT BREAST & CERVICAL CANCER STATE GRANTS 410 CAPITAL AVENUE, PO BOX 340308 HARTFORD, CT 06134	$ 70,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	NURTURING FAMILIES NETWORK STATE GRANTS 450 CAPITOL AVENUE HARTFORD, CT 06106	$ 191,684.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	MULTIDISC. INTERVENTION STATE GRANTS STATE OF CONNECTICUT HARTFORD, CT 06103	$ 83,030.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	RAY & PAULINE SULLIVAN FOUNDATION C/O BANK OF AMERICA, PO BOX 989040 BOSTON, MA 02298-9040	$ 41,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	GARDINER FAMILY FOUNDATION PO BOX 717 WATERFORD, CT 06385	$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	FRANK LOOMIS PALMER FUND 200 GLASTONBURY RD, 2ND FLOOR GLASTONBURY, CT 06033	$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10	NORTHEAST UTILITIES SERVICE PO BOX 270 HARTFORD, CT 06141	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e)** and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ► $ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.

▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
LAWRENCE & MEMORIAL HOSPITAL	06-0646704

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		36,256.
j Total. Add lines 1c through 1i			36,256.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, LINE 1

THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE CONNECTICUT HOSPITAL ASSOCIATION WHICH LOBBIES ON BEHALF OF ITS MEMBER ORGANIZATIONS. THESE LOBBYING ACTIVITIES ARE DEFINED AS CHA STAFF COMMUNICATION WITH THE FEDERAL AND STATE GOVERNMENTS TO INFLUENCE LEGISLATION.

THE ORGANIZATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH MAY ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII . . . . . ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	16,251,377.	14,398,889.	14,741,092.	14,150,668.	14,857,509.
b Contributions					
c Net investment earnings, gains, and losses	1,952,978.	2,146,447.	17,500.	1,282,741.	-154,454.
d Grants or scholarships					
e Other expenditures for facilities and programs	239,701.	266,733.	324,466.	652,042.	539,291.
f Administrative expenses	41,701.	27,226.	35,237.	40,275.	13,096.
g End of year balance	17,922,953.	16,251,377.	14,398,889.	14,741,092.	14,150,668.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ 85.0000 %
b Permanent endowment ▶ 15.0000 %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,023,729.		1,023,729.
b Buildings		112,399,378.	69,718,914.	42,680,464.
c Leasehold improvements		7,702,256.	3,396,089.	4,306,167.
d Equipment		234,099,872.	167,521,467.	66,578,405.
e Other		52,096,813.	4,695,369.	47,401,444.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				161,990,209.

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DOHP1535

Part VII **Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII **Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX **Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	17,204,746.
(2) DEBT SERVICE FUND	1,306,255.
(3) DEBT SERVICE RESERVE FUND	2,247,255.
(4) DEFERRED FINANCING COSTS	1,776,176.
(5) DUE FROM AFFILIATES	1,434,568.
(6) CONSTRUCTION FUND	9,541,685.
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	33,510,685.

Part X **Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes ATTACHMENT 1	
(2) DUE TO THIRD PARTY AGENCIES	3,826,094.
(3) DEFERRED COMPENSATION	83,633.
(4) SELF ASSURANCE RESERVES	3,593,332.
(5) ACCRUED POST RETIREMENT BENEFI	1,000,744.
(6) ACCRUED PENSION	2,733,069.
(7) ACCRUED 401K MATCH	1,294,964.
(8) ACCRUED MIN PENSION LIABILITY	37,196,935.
(9) ASSET RETIREMENT OBLIGATION	487,381.
(10) DUE TO L&M CORPORATION	1,867,732.
(11) DEFERRED FINANCING COST	2,659,757.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	68,437,751.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d			2e
3	Subtract line 2e from line 1			3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d			2e
3	Subtract line 2e from line 1			3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b			4c
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

JSA
2E1271 1.000
33042N 7377

DOHP1537

Part XIII Supplemental Information *(continued)*

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUNCTIONS TO SUPPORT AND PROVIDE INCOME FOR THE FURTHERANCE OF THE HEALTHCARE MISSION OF LAWRENCE & MEMORIAL HOSPITAL.

SCHEDULE D, PART X LINE 2

THE ORGANIZATIONS FINANCIAL STATEMENTS DO NOT INCLUDE A FIN 48 DISCLOSURE.

ATTACHMENT 1

SCHEDULE D, PART X - OTHER LIABILITIES

DESCRIPTION	BOOK VALUE
MALPRACTICE INSURANCE	13,694,110.
TOTALS	68,437,751.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		37,593,806.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total.					37,593,806.
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					37,593,806.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2012

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . ▶

3 Enter total number of other organizations or entities. . . . . ▶

DOHP1540

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DOHP1541

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see instructions for Form 926)*	[X] Yes	[ ] No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	[ ] Yes	[X] No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	[X] Yes	[ ] No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	[ ] Yes	[X] No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	[ ] Yes	[X] No
	Have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	[ ] Yes	[X] No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [X] Mail solicitations
b [X] Internet and email solicitations
c [X] Phone solicitations
d [X] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [X] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1 GHIORSI & SORRENTI INC.	CAPITAL CAMPAIGN		X		108,733.	
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶					108,733.	

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

CT,

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts				
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				( )
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ___% ☐ No	☐ Yes ___% ☐ No	☐ Yes ___% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility . . . . . 13a %

b An outside facility . . . . . 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G, PART II

FUNDRAISING EXPENSES ARE REPORTED ON FORM 990, PART IX FOR LAWRENCE &

MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE

FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704) AND

LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). ADDITIONAL

CONTRIBUTIONS IN THE AMOUNT OF $2,685,385 ARE REPORTED ON THE FORM 990

FOR LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250.0000 %	X	
3b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other _____ %	X	
3c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
6b	If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		2209	1,465,992.		1,465,992.	.47
b Medicaid (from Worksheet 3, column a)		25351	48,592,382.	36,586,251.	12,006,131.	3.85
c Costs of other means-tested government programs (from Worksheet 3, column b)		518	991,682.	746,659.	245,023.	.08
d Total Financial Assistance and Means-Tested Government Programs		28168	51,050,056.	37,332,910.	13,717,146.	4.40
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	69	31140	1,881,866.	4,029.	1,877,837.	.60
f Health professions education (from Worksheet 5)	10	1389	868,105.		868,105.	.28
g Subsidized health services (from Worksheet 6)	11	6986	4,512,175.	3,184,485.	1,327,690.	.43
h Research (from Worksheet 7)	1		211,116.		211,116.	.07
i Cash and in-kind contributions for community benefit (from Worksheet 8)	17	1421	126,086.		126,086.	.04
j Total. Other Benefits	108	40936	7,599,348.	3,188,514.	4,410,834.	1.42
k Total. Add lines 7d and 7j	108	69104	58,649,404.	40,521,424.	18,127,980.	5.82

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	2	997	52,028.		52,028.	.02
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building	5	220	70,706.		70,706.	.02
7 Community health improvement advocacy						
8 Workforce development	1	9	264.		264.	
9 Other						
10 Total	8	1226	122,998.		122,998.	.04

Part III **Bad Debt, Medicare, & Collection Practices**

			Yes	No
Section A. Bad Debt Expense				
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	12,037,777.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	194,792.		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.				
Section B. Medicare				
5 Enter total revenue received from Medicare (including DSH and IME)	5	102,446,118.		
6 Enter Medicare allowable costs of care relating to payments on line 5	6	120,595,559.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-18,149,441.		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other				
Section C. Collection Practices				
9a Did the organization have a written debt collection policy during the tax year?	9a		X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b		X	

Part IV **Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians-see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest - see instructions)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 LAWRENCE & MEMORIAL HOSPITAL 365 MONTAUK AVE NEW LONDON CT 06320	X	X					X	X		
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group LAWRENCE & MEMORIAL HOSPITAL

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) _____

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):		
a	[X] A definition of the community served by the hospital facility		
b	[X] Demographics of the community		
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	[X] How data was obtained		
e	[X] The health needs of the community		
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	[X] The process for consulting with persons representing the community's interests		
i	[X] Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	[X] Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 12		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted.	X	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		X
5	Did the hospital facility make its CHNA report widely available to the public?	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a	[X] Hospital facility's website		
b	[X] Available upon request from the hospital facility		
c	[X] Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	[ ] Execution of the implementation strategy		
c	[ ] Participation in the development of a community-wide plan		
d	[ ] Participation in the execution of a community-wide plan		
e	[ ] Inclusion of a community benefit section in operational plans		
f	[ ] Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	[X] Prioritization of health needs in its community		
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	[X] Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		X
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $ _____		

Part V Facility Information *(continued)*

Financial Assistance Policy LAWRENCE & MEMORIAL HOSPITAL

		Yes	No
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Used FPG to determine eligibility for providing *discounted* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: 251 %		
	If "No," explain in Part VI the criteria the hospital facility used.		
12	Explained the basis for calculating amounts charged to patients?	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	[X] Income level		
b	[X] Asset level		
c	[X] Medical indigency		
d	[ ] Insurance status		
e	[X] Uninsured discount		
f	[ ] Medicaid/Medicare		
g	[ ] State regulation		
h	[ ] Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	[X] The policy was posted on the hospital facility's website		
b	[ ] The policy was attached to billing invoices		
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	[X] The policy was posted in the hospital facility's admissions offices		
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility		
f	[X] The policy was available on request		
g	[ ] Other (describe in Part VI)		

Billing and Collections

		Yes	No
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:		
a	[ ] Reporting to credit agency		
b	[ ] Lawsuits		
c	[ ] Liens on residences		
d	[ ] Body attachments		
e	[ ] Other similar actions (describe in Part VI)		

Part V **Facility Information** *(continued)* LAWRENCE & MEMORIAL HOSPITAL

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a ☐ Notified individuals of the financial assistance policy on admission
- b ☐ Notified individuals of the financial assistance policy prior to discharge
- c ☐ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

Changes to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Part VI)

21	During the tax year, did the hospital facility charge any of its FAP- eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.		X
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Part VI.		X

Part V **Facility Information** *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART I, LINE 3C:

IT IS THE PHILOSOPHY AND POLICY OF LAWRENCE & MEMORIAL HOSPITAL ("L+M HOSPITAL") THAT MEDICALLY NECESSARY HEALTH CARE SERVICES SHOULD BE AVAILABLE TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY.

CHARITY CARE APPLIES TO ALL UNINSURED PATIENTS (DEFINED AS EARNING LESS THAN 250% OF THE POVERTY GUIDELINES) AS DESCRIBED IN § 19A-673 OF THE CONNECTICUT GENERAL STATUTES. L+M HOSPITAL WILL MEET OR EXCEED THE GUIDELINES SET-FORTH BY THE CONNECTICUT HOSPITAL ASSOCIATION ("CHA") ON THE STATEWIDE DISCOUNT POLICY FOR UNINSURED PATIENTS. CARE WILL BE PROVIDED FREE FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFY THEIR ANNUAL INCOME IS LESS THAN 250% OF THE FEDERAL INCOME POVERTY LEVEL ("FPL"). LIQUID ASSETS MUST NOT EXCEED $50,000 (STOCKS, BONDS, CASH, 401, IRA, CD ETC.) EXCLUDING PRIMARY RESIDENCE AND PRIMARY MOTOR VEHICLE). BUSINESS ASSETS, RENTAL PROPERTY, SECONDARY RESIDENCE, RECREATIONAL VEHICLES AND OTHER SUCH LUXURY ITEMS WILL BE APPLIED TO THE LIQUID ASSETS. CARE WILL BE DISCOUNTED ON A SLIDING SCALE FOR SELF-PAY

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

PATIENTS WHO HAVE NO THIRD PARTY INSURANCE TO COVER SERVICES WITH AN ANNUAL INCOME THAT IS BETWEEN 250% AND 400% OF THE FPL AND HAVE ASSETS LESS THAN $50,000, IN ACCORDANCE WITH THE FOLLOWING:

251% - 300% = COST OF CHARGE

301% - 350% = 40%

351% - 400% = 30%

SCHEDULE H, PART I, LINE 6A:

FOR TAX YEAR 2012, L+M HOSPITAL PREPARED AND WIDELY DISTRIBUTED AN ANNUAL REPORT OF COMMUNITY BENEFIT ACTIVITIES. THE REPORT WAS OFFICIALLY RELEASED AT THE MID-YEAR CORPORATOR MEETING ON JUNE 7, 2012, MAILED TO ALL TRUSTEES, KEY COMMUNITY LEADERS, AND PHYSICIANS, POSTED BY LINK TO THE L+M HOSPITAL WEBSITE, MADE AVAILABLE AT THE HOSPITAL, AND DISTRIBUTED AT COMMUNITY EVENTS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART I, LINE 7:

THE AMOUNTS REPORTED ON PART I, LINE 7 WERE CALCULATED AS DIRECT, SEPARATELY IDENTIFIABLE COSTS INCURRED BY THE HOSPITAL PLUS AN ALLOCATION OF OVERHEAD.

SCHEDULE H, PART II:

L+M HOSPITAL, WITH A MISSION TO "IMPROVE THE HEALTH OF THE REGION," HEWS TO THE WORLD HEALTH ORGANIZATION DEFINITION OF HEALTH: "A STATE OF COMPLETE PHYSICAL, MENTAL AND SOCIAL WELL-BEING AND NOT MERELY THE ABSENCE OF DISEASE OR INFIRMITY." IN ADDITION TO MEETING AN IDENTIFIED NEED IN THE COMMUNITY, L+M HOSPITAL CONTRIBUTES TO AN OVERALL HEALTHY COMMUNITY AND SUPPORTS THE HOSPITAL'S ROLE AS GOOD CORPORATE CITIZEN. THIS SOCIAL IMPACT IS MEASURED IN TERMS OF COMMUNITY VIBRANCY, AND BREADTH AND DEPTH OF COMMUNITY ACTIVITIES THAT ENHANCE THE QUALITY OF LIFE IN THE REGION. THE MAJORITY OF THE HOSPITAL'S COMMUNITY BUILDING ACTIVITIES FALL INTO THE CATEGORY OF COALITION BUILDING, IN WHICH WE ARE ENGAGED WITH A BROAD RANGE OF COMMUNITY PARTNERS IN IMPROVING COMMUNITY

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

HEALTH IN THE AREAS OF PARISH NURSING, TEEN PREGNANCY PREVENTION, ACCESS TO CARE AND REDUCTION OF CHRONIC DISEASE. ADDITIONALLY, WE ARE ENGAGED IN COMMUNITY SUPPORT ACTIVITIES SUCH AS SUPPORT FOR LOCAL FAITH COMMUNITY LEADERS, HEALTH-RELATED CAREER DEVELOPMENT ACTIVITIES, AND SUPPORT FOR PARTNER NON-PROFITS ALSO ENGAGED IN COMMUNITY DEVELOPMENT SUCH AS THE DISBURSEMENT OF SCHOLARSHIPS. IN THE AREA OF LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, WE PROVIDE TRAINING FOR PROFESSIONALS IN INJURY PREVENTION STRATEGIES, AND HEALTH CAREER LEADERSHIP DEVELOPMENT AND WORKFORCE DEVELOPMENT. WE PARTICIPATE IN ECONOMIC DEVELOPMENT ACTIVITIES THROUGH THE REGION'S CHAMBERS OF COMMERCE. COMMUNITY HEALTH IMPROVEMENT ADVOCACY INCLUDES PROMOTION OF INJURY PREVENTION POLICY CHANGES AND SUPPORT FOR IMPROVED ACCESS TO HEALTHCARE. ALL OF THESE ACTIVITIES HAVE AS THEIR PRIMARY PURPOSE TO BENEFIT THE COMMUNITY AND ARE CARRIED OUT WITHOUT REMUNERATION.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART III, LINE 4:

L+M HOSPITAL USES A COST REPORTING SYSTEM TO DETERMINE THE BAD DEBT EXPENSE. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 IS TAKEN DIRECTLY FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED AS 2% OF THE AMOUNT OF BAD DEBT (AT COST) FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF 2% REPRESENTS THE BAD DEBT AMOUNT THAT COULD HAVE BEEN QUALIFIED FOR CHARITY CARE AS THIS THE PERCENTAGE OF GROSS REVENUE THAT IS SELF PAID.

SCHEDULE H, PART III, LINE 8:

THE MEDICARE SHORTFALL OF ($18,149,441) REPORTED IN PART III, LINE 7 WAS CALCULATED BASED ON COST REPORTING. THIS AMOUNT SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE THE RATES PAID BY MEDICARE DO NOT ACCURATELY REFLECT THE COST OF CARE PROVIDED BY L+M HOSPITAL. ACCORDINGLY, L+M HOSPITAL MUST SUBSIDIZE THE COST OF CARE PROVIDED TO MEDICARE

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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BENEFICIARIES WITH OTHER REVENUES.

SCHEDULE H, PART III, LINE 9B:

IN ACCORDANCE WITH ITS WRITTEN CREDIT AND COLLECTION POLICY, L+M HOSPITAL WILL NOT PURSUE COLLECTION EFFORTS, DIRECTLY OR THROUGH COLLECTION AGENCIES, ON THE PORTION OF A PATIENT'S BILL FOR WHICH THAT PATIENT HAS ESTABLISHED ELIGIBILITY FOR CHARITY CARE.

SCHEDULE H, PART V, SECTION B, LINE 1J:

IN ADDITION TO THE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) COMPONENTS LISTED, THE L+M HOSPITAL CHNA REPORT FOR 2012 INCLUDED ANALYSIS OF THE DATA IN TERMS OF STRENGTHS AND OPPORTUNITIES FOR ACTION. THIS ANALYSIS INFORMED THE CREATION OF THE COMMUNITY HEALTH IMPLEMENTATION PLAN.

SCHEDULE H, PART V, SECTION B, LINE 3:

UPON COMPLETION OF DATA COLLECTION AND ANALYSIS, L+M HOSPITAL CONVENED A TEAM OF HOSPITAL AND COMMUNITY REPRESENTATIVES TO A COMMUNITY HEALTH

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

STRATEGIC PLANNING SESSION IN MAY 2012. THIS SESSION WAS FACILITATED BY HOLLERAN CONSULTING. THE PURPOSE OF THE STRATEGIC PLANNING SESSION WAS TO SHARE THE RESULTS OF THE COMMUNITY HEALTH NEEDS ASSESSMENT, TO DISCUSS AND PRIORITIZE COMMUNITY HEALTH NEEDS, AND TO DEVELOP COMMUNITY HEALTH GOALS AND STRATEGIES TO GUIDE THE L+M COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP). AN ASSET MAPPING PROCESS WAS ALSO UNDERTAKEN IN ORDER TO IDENTIFY EXISTING RESOURCES, SERVICES, AND INITIATIVES IN THE HOSPITAL SERVICE AREA.

SCHEDULE H, PART V, SECTION B, LINE 5A:

THE CHNA REPORT CAN BE FOUND ONLINE AT THE HOSPITAL'S WEBSITE:

HTTP://WWW.LMHOSPITAL.ORG/COMMUNITY-INVOLVEMENT/COMMUNITY-PARTNERSHIPS.ASP

X

SCHEDULE H, PART V, SECTION B, LINE 5C:

THE CHNA REPORT WAS RELEASED AT A PRESENTATION OPEN TO THE PUBLIC ON JANUARY 23, 2013. IN ATTENDANCE WERE COMMUNITY PARTNERS REPRESENTING

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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OTHER NON-PROFIT ORGANIZATIONS, BUSINESS LEADERS, INDIVIDUALS

REPRESENTING THE EDUCATION SECTOR, HOSPITAL STAFF, MEMBERS OF THE PRESS,

AND COMMUNITY MEMBERS.

SCHEDULE H, PART V, SECTION B, LINE 6I:

THE COMMUNITY HEALTH IMPLEMENTATION PLAN (CHIP) WAS APPROVED BY THE L+M

BOARD OF DIRECTORS ON AUGUST 26, 2013. THE PLAN CAN BE FOUND ONLINE ON

THE HOSPITAL'S WEBSITE,

HTTP://WWW.LMHOSPITAL.ORG/COMMUNITY-INVOLVEMENT/COMMUNITY-PARTNERSHIPS.ASP

X

SCHEDULE H, PART V, SECTION B, LINE 7:

DUE TO RESOURCE CONSTRAINTS, SOME OF THE IDENTIFIED NEEDS THROUGH THE

CHNA WILL NOT BE ADDRESSED. IN OTHER CASES, OTHER ORGANIZATIONS ARE

TAKING THE LEAD ON AN IDENTIFIED NEED AND L+M HOSPITAL IS COLLABORATING.

A DRIVING PHILOSOPHY OF L+M'S COMMUNITY BENEFIT EFFORTS IS TO BUILD ON

COMMUNITY RESOURCES, PROGRAMS AND SERVICES AND TO NOT DUPLICATE THEM. AS

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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SUCH, IN EXAMINING EACH OF THE PRIORITIZED COMMUNITY HEALTH NEEDS, EXISTING COMMUNITY ASSETS WERE IDENTIFIED BEFORE CONSIDERING ANY NEW STRATEGIES THAT L+M MIGHT INITIATE AND/OR THOSE TO BE CONTINUED. WHERE THERE IS AN EXISTING COMMUNITY-BASED PROGRAM ADDRESSING ANY OF THE PRIORITIZED NEEDS, OR DUE TO RESOURCE LIMITATIONS, L+M WILL WORK TO SUPPORT AND BUILD CAPACITY OF THOSE PROGRAMS RATHER THAN TO CREATE SOMETHING NEW.

THERE ARE THREE SPECIFIC EXAMPLES OF AREAS WHERE THE DATA DEMONSTRATE THAT THE L+M COMMUNITY IS AN OUTLIER AS COMPARED TO NATIONAL BENCHMARKS. THE USE OF TOBACCO IN THE L+M SERVICE AREA, WHILE HAVING DECREASED, CONTINUES TO EXCEED THE HEALTHY PEOPLE 2020 GOAL. L+M OFFERS CESSATION SUPPORT TO EMPLOYEES PRESENTLY. ALTHOUGH THIS INDICATOR IS DIRECTLY LINKED TO THE PRIORITY AREA OF CANCER, DUE TO RESOURCE LIMITATIONS, L+M WILL NOT UNDERTAKE PROGRAMMING INTENDED FOR THE WIDER COMMUNITY RELATED TO TOBACCO CESSATION.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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SIMILARLY, ALTHOUGH EXCESSIVE DRINKING IN ADULTS OVER AGE 18 IN NEW LONDON COUNTY EXCEEDS THE NATIONAL BENCHMARK, AND CAN BE LINKED TO CANCER AND MENTAL HEALTH PRIORITY AREAS, L+M WILL SUPPORT EFFORTS LED BY COMMUNITY PARTNERS BUT WILL NOT TAKE THE LEAD IN PROGRAMMING AROUND THIS ISSUE. FOR EXAMPLE, MUCH WORK AROUND SUBSTANCE ABUSE AND ADDICTION ISSUES IS BEING CARRIED OUT BY THE SOUTHEASTERN CT REGIONAL ACTION COUNCIL, AN ENTITY ESTABLISHED BY THE CT LEGISLATURE TO ASSIST COMMUNITIES IN THIS AREA. ADDITIONALLY, THERE ARE COMMUNITY PARTNERS RECEIVING FEDERAL AND STATE GRANT FUNDS TO ADDRESS THIS AREA. L+M PARTNERS IN THESE EFFORTS BUT WILL NOT INITIATE NEW STRATEGIES.

LAST, THE URBAN CENTER OF NEW LONDON CONTINUES TO DEMONSTRATE VARIANCE FROM STATE RATES IN BIRTHS TO TEENS AND SEXUALLY TRANSMITTED INFECTIONS. ALTHOUGH L+M WILL WORK TO SUPPORT COMMUNITY PARTNERS IN ADDRESSING THESE ISSUES, RESOURCE LIMITATIONS WILL NO LONGER ALLOW L+M TO PLAY A LEADERSHIP ROLE.

Part VI Supplemental Information

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1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

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SCHEDULE H, PART V, SECTION B, LINE 20D:

SEE EXPLANATION PROVIDED IN SCHEDULE H, PART I, LINE 3C

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

L&M HOSPITAL EMPLOYS A VARIETY OF STRATEGIES IN GAUGING THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES. THE MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), COVERING THE LAWRENCE + MEMORIAL PRIMARY SERVICE AREA, WAS INITIATED IN 2012 AND HAS BEEN CONDUCTED UNDER THE GUIDANCE OF AN OUTSIDE EXPERT. THE ASSESSMENT UPDATES THE LAST COMPREHENSIVE CHNA AND FURTHER ANALYZES HEALTH STATUS AS IT RELATES TO IDENTIFIED HEALTH CARE AND PUBLIC HEALTH ISSUES IN NEW LONDON COUNTY. METHODS INCLUDED USING SCIENTIFICALLY VALID DATA, COMPARATIVE INFORMATION, AND INPUT FROM LOCAL RESIDENTS, PROVIDERS AND LEADERS. INDICATORS WERE COMPUTED FROM AN EXTENSIVE SET OF SECONDARY HEALTH-RELATED DATA.

L+M HOSPITAL REVIEWS DISEASE INCIDENCE AND PREVALENCE RATES FOR THE LOCAL

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COMMUNITY, STATE, AND NATION. RATES ARE COLLECTED FROM MEDICAL JOURNALS, THE CT DEPARTMENT OF HEALTH, OR NATIONAL HEALTH RESOURCES SUCH AS THE KAISER FAMILY FOUNDATION OR CDC. THIS ANALYSIS INFORMS L+M ON THE HEALTH STATUS OF THE COMMUNITY AND IS USED TO FOCUS PROGRAM AND SERVICE DEVELOPMENT ON AREAS OF GREATEST CONCERN.

INFORMATION ON COMMUNITY NEEDS IS ALSO GATHERED THROUGH PARTNERSHIPS WITH OTHER COMMUNITY ORGANIZATIONS SUCH AS THE UNITED WAY, THE LEDGE LIGHT HEALTH DISTRICT, AND OTHER LOCAL NON-PROFITS. PERIODIC REVIEW OF DATA AND UPDATING AS APPROPRIATE IS CONDUCTED. L+M HOSPITAL COMPLETES A PHYSICIAN MANPOWER STUDY REGULARLY. THIS STUDY, CONDUCTED BY AN OUTSIDE CONSULTANT, DOCUMENTS THE DEMAND FOR PHYSICIANS BY SPECIALTY BASED ON PHYSICIAN-TO-POPULATION RATIOS, THE SUPPLY OF PHYSICIANS IN THE COMMUNITY, AND THE RESULTANT GAPS BETWEEN DEMAND AND SUPPLY. THE ANALYSIS INFORMS L+M OF DEFICIENCIES IN PHYSICIAN SUPPLY AND HELPS FOCUS RECRUITMENT EFFORTS TO MEET THE DEMANDS OF THE COMMUNITY.

Part VI Supplemental Information

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ALL COMMUNITY BENEFIT ACTIVITIES ARE REGULARLY EVALUATED FOR IMPACT AND EFFECTIVENESS AND AUDITED FOR COMPLIANCE WITH THE ORGANIZATION'S COMMUNITY BENEFIT POLICY.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELGIBILITY FOR ASSISTANCE:

IN ACCORDANCE WITH ITS CHARITY CARE POLICY, L+M HOSPITAL NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE USING SEVERAL METHODS. 1) SIGNAGE INDICATING THE AVAILABILITY OF CHARITY CARE IS POSTED IN ENGLISH AND SPANISH IN PATIENT ACCOUNTS, HEALTH ACCESS MANAGEMENT AND CERTAIN CLINICAL AREAS. SUMMARIES OF THE PROGRAMS WILL ALSO BE AVAILABLE IN THOSE AREAS. 2) PATIENT FINANCIAL ADVISORS WILL ATTEMPT TO VISIT ALL INPATIENTS REGISTERED AS SELF-PAY PATIENTS. A SUMMARY EXPLAINING CHARITY CARE WILL BE GIVEN TO THE PATIENT OR GUARANTOR WHEN THIS VISIT OCCURS. 3) PATIENTS WITH NO INSURANCE WILL RECEIVE AN INITIAL LETTER WITHIN ONE WEEK OF DISCHARGE INFORMING THEM THAT L+M HOSPITAL CONSIDERS THEM "INSURED" PER THE CONNECTICUT GENERAL STATUES

Part VI Supplemental Information

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SECTION 19A-673. IT IS THE RESPONSIBILITY OF THE PATIENT TO ADVISE L+M HOSPITAL IF THEY BELIEVE THEY QUALIFY AS "UNINSURED" (AT OR UNDER 250% OF THE FPG). 4) A SERIES OF MONTHLY STATEMENTS WILL BE SENT FOLLOWING DISCHARGE. EACH STATEMENT WILL REMIND THE PATIENT OF THE AVAILABILITY OF CHARITY CARE.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

POPULATION SIZE

THE COMMUNITIES THAT COMPRISE THE SERVICE AREA OF LAWRENCE & MEMORIAL INCLUDE TEN TOWNS ALONG THE CONNECTICUT SHORELINE BETWEEN RHODE ISLAND AND THE CONNECTICUT RIVER AND INLAND TO SALEM, CT, WITH A TOTAL POPULATION OF APPROXIMATELY 180,000 PEOPLE YEAR-ROUND, INCREASING TO 250,000 IN THE SUMMER. OUR COMMUNITIES REPRESENT A BROAD MIX OF URBAN, SUBURBAN, AND RURAL AREAS.

GENERAL DEMOGRAPHICS

Part VI Supplemental Information

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THE TOWNS AND CITIES IN THIS AREA ARE VERY DIVERSE, NOT ONLY SOCIO-ECONOMICALLY BUT ALSO IN TERMS OF RACE, ETHNICITY, FAITH TRADITION, RESIDENT TRANSIENCE, EMPLOYMENT, HEALTH INSURANCE STATUS, AND EDUCATIONAL ATTAINMENT. FROM 2000 TO 2010, THERE WAS A SLIGHT OVERALL GROWTH IN POPULATION WITH DRAMATIC CHANGES OCCURRING IN ETHNIC AND RACIAL COMPOSITION OF THE LOCAL POPULATION; THE PERCENTAGE OF HISPANICS INCREASED BY 75.4%, AFRICAN AMERICANS INCREASED BY 16.9%, NATIVE AMERICANS INCREASED BY 0.7%, ASIANS INCREASED BY 124% AND THOSE WHO INDICATE "OTHER" INCREASED BY 64%. OTHER INCREASES HAVE OCCURRED IN THE EASTERN EUROPEAN, AND HAITIAN POPULATIONS, AMONG OTHERS, WITH LOCAL SCHOOL DISTRICTS REPORTING SIGNIFICANT PERCENTAGES OF CHILDREN WHO ARE ENGLISH LANGUAGE LEARNERS (21.6 PERCENT IN NEW LONDON, 11.5 PERCENT IN NORWICH). CHANGES IN THE ETHNIC AND RACIAL MAKEUP OF COUNTY RESIDENTS ARE IMPACTING THE BURDEN OF DISEASE AND DEMAND FOR HEALTH SERVICES.

ACCORDING TO THE CDC OFFICE OF MINORITY HEALTH & HEALTH EQUITY (2012), RACE AND ETHNICITY CORRELATE WITH SIGNIFICANT HEALTH DISPARITIES.

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SPECIFICALLY, HISPANIC/LATINOS ARE AT HIGHER RISK FOR ASTHMA, DIABETES, HIV/AIDS, CERVICAL CANCER, LACK OF PRENATAL CARE, AND INFANT MORTALITY. BLACKS/AFRICAN AMERICANS ARE AT HIGHER RISK FOR HEART DISEASE, HYPERTENSION, DIABETES, AND INFANT MORTALITY. BOTH POPULATIONS ARE ALSO AT HIGHER RISK FOR OVERWEIGHT/ OBESITY ISSUES.

MAJOR EMPLOYERS

THE REGION HAS TRANSITIONED FROM A LARGELY DEFENSE INDUSTRY-BASED ECONOMY TO ONE THAT RELIES HEAVILY UPON EMPLOYMENT IN THE SERVICE AND TRADE SECTORS AND IN GENERAL HAS A HIGHER PERCENTAGE OF PERSONS EMPLOYED IN THOSE SECTORS -WITH CORRESPONDING LOWER RATES OF PAY- WHICH IS CORRELATED WITH THE LOWER PER CAPITA INCOME AND GREATER ECONOMIC VULNERABILITY. MAJOR EMPLOYERS INCLUDE THE MASHANTUCKET PEQUOT AND MOHEGAN TRIBES (FOXWOODS RESORT AND CASINO AND MOHEGAN SUN CASINO RESPECTIVELY), PFIZER GLOBAL RESEARCH AND DEVELOPMENT, EDUCATIONAL INSTITUTIONS (CONNECTICUT COLLEGE, MITCHELL COLLEGE AND THE U.S. COAST GUARD ACADEMY), GENERAL DYNAMICS/ELECTRIC BOAT, DOMINION, AND LAWRENCE + MEMORIAL.

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PRIMARY SOCIAL AND HEALTH CARE FACTORS

IN THE URBAN CENTERS OF THE REGION, RACIAL AND ETHNIC HEALTH DISPARITIES, HIGHER POVERTY AND UNEMPLOYMENT RATES, LOWER LEVELS OF EDUCATIONAL ATTAINMENT, LIMITED ACCESS TO AFFORDABLE HOUSING AND TRANSPORTATION, HIGHER RATES OF DEATH FROM CHRONIC ILLNESS, AND A GREATER LIKELIHOOD OF RESIDENTS NOT HAVING HEALTH INSURANCE, ALL OF WHICH PRESENT PARTICULAR CHALLENGES. MEDIAN HOUSEHOLD INCOME IN THE L+M SERVICE AREA IS FAR BELOW THAT OF THE STATE, WITH AFRICAN AMERICAN AND HISPANIC FAMILIES' INCOMES SIGNIFICANTLY LOWER THAN WHITE FAMILIES' INCOMES. THE REGION INCLUDES ONE PRIORITY SCHOOL DISTRICT. THREE OF OUR COMMUNITIES HAVE A GREATER PERCENTAGE OF CHILDREN LIVING IN POVERTY THAN THE STATE AVERAGE OF 26.1% - GROTON 27.7%, NEW LONDON 59.7% AND NORWICH 43.4% (CHILDREN UNDER 200% OF THE FEDERAL POVERTY LEVEL 2006 - 2010, CT VOICES FOR CHILDREN).

THE CHRONIC DISEASE BURDEN IS HIGH THROUGHOUT NEW LONDON COUNTY WITH NORWICH AND NEW LONDON HAVING HIGHER PERCENTAGES WITH 3+ CHRONIC

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CONDITIONS THAN OTHER REGIONS. NEW LONDON AND NORWICH ALSO HAVE A HIGHER PERCENTAGE OF PEOPLE WHO SELF-IDENTIFY AS "NOT WELL" AND, ALONG WITH SOME OUTLYING TOWNS, HAVE THE LEAST FAVORABLE INDICATORS FOR CHRONIC DISEASE.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

L+M HOSPITAL'S COMMUNITY BENEFIT PROGRAMS AND SERVICES FORWARD THE ORGANIZATIONAL MISSION "TO IMPROVE THE HEALTH OF THE REGION" AND ALIGN WITH THE PRINCIPLES AS SET FORTH IN THE ORGANIZATION'S COMMUNITY BENEFIT POLICY. THOSE PRINCIPLES INCLUDE:

1. EMPHASIS ON PROGRAMS TO MEET A SIGNIFICANT UNMET HEALTH NEED INCLUDING EFFORTS TO IDENTIFY AND INCLUDE VULNERABLE POPULATIONS OR THOSE MOST AT-RISK AS DETERMINED BY RISK FACTORS WHICH PREDISPOSE THOSE POPULATIONS TOWARD A HIGHER INCIDENCE OF DISEASE AND/OR BARRIERS TO OBTAINING APPROPRIATE HEALTHCARE.

2. EMPHASIS ON PRIMARY PREVENTION AND INCLUDING AT LEAST ONE OF THREE PRIMARY PREVENTION STRATEGIES: HEALTH PROMOTION, DISEASE PREVENTION, AND

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HEALTH PROTECTION. HEALTH PROMOTION ENTAILS ENCOURAGING HEALTHY LIFESTYLES; DISEASE PREVENTION FOCUSES ON INDIVIDUALS IDENTIFIED AS AT-RISK FOR HEALTH PROBLEMS; HEALTH PROTECTION ACTIVITIES INFLUENCE THE ENVIRONMENT TO SUPPORT HEALTHY BEHAVIORS.

3. PROGRAMS SHOULD DEVELOP EVIDENCE-BASED LINKS BETWEEN CLINICAL SERVICES AND HEALTH IMPROVEMENT ACTIVITIES DELIVERED BOTH INSIDE AND OUTSIDE THE HOSPITAL.

4. PROGRAMS SHOULD FOCUS ON TARGETING CHARITABLE RESOURCES THAT MOBILIZE AND BUILD CAPACITY WITHIN EXISTING COMMUNITY ASSETS WHILE MINIMIZING DUPLICATION OF EFFORT.

5. PROGRAMS SHOULD EMPHASIS COLLABORATION WITH COMMUNITY STAKEHOLDERS.

AS EVIDENCED BY THE WIDE RANGE OF COMMUNITY BENEFIT PROGRAMS AND SERVICES OFFERED, L-M IS ENGAGED IN MEETING THE IDENTIFIED HEALTH NEEDS OF THE COMMUNITIES WE SERVE. THERE IS AN ORGANIZATIONAL HISTORY OF COLLECTING DATA TO DETERMINE HOW BEST TO DIRECT OUR RESOURCES AND HOW TO MAKE THE GREATEST IMPACT IN PROMOTING COMMUNITY HEALTH. OUR ANNUAL COMMUNITY

Part VI Supplemental Information

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BENEFIT REPORT PUBLICATION DESCRIBES A SAMPLING OF PROGRAMS AND THE AMOUNT OF INVESTMENT THAT L+M MAKES IN CARRYING OUT THESE PROGRAMS.

COMMUNITY INVOLVEMENT IN GOVERNANCE AND ADVISORY GROUPS

COMMUNITY ENGAGEMENT IN THE PLANNING, IMPLEMENTATION AND EVALUATION OF L+M HOSPITAL INITIATIVES IS OF UTMOST IMPORTANCE. CONSUMERS AND STAKEHOLDER ORGANIZATIONS PARTICIPATE IN A RANGE OF ACTIVITIES SO AS TO ENSURE THAT MANY PERSPECTIVES ARE CONSIDERED. ONE EXAMPLE OF BROAD COMMUNITY INVOLVEMENT IS IN OUR FACILITATION OF A MULTI-SECTOR STAKEHOLDER COLLABORATIVE TO BRING A COMMUNITY FITNESS CENTER TO OUR HOME COMMUNITY. ADDITIONALLY, OUR COMMUNITY-BASED PROGRAMS EACH HAVE ADVISORY GROUPS, INCLUDING THE FAITH IN ACTION NETWORK (PARISH NURSING), SAFE KIDS NEW LONDON COUNTY (INJURY PREVENTION), AND TEEN PREGNANCY PREVENTION TASK FORCE. THE RECONNECTING THE HOMELESS PROGRAM ENGAGES IN COMMUNITY COLLABORATIVES THAT PROVIDE IMPORTANT INPUT FOR THE PROGRAM AND EMPHASIS IS PLACED ON HOSPITAL REPRESENTATIVE PARTICIPATION IN OTHER COMMUNITY ORGANIZATIONS SO AS TO PROVIDE OPPORTUNITIES TO HEAR FROM OUR CONSUMERS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

LAWRENCE + MEMORIAL'S BOARD OF DIRECTORS IS MADE UP OF COMMUNITY LEADERS WHO RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO THE HOSPITAL IN THEIR OVERSIGHT ROLE. THEY ARE INVOLVED IN THE STRATEGIC PLANNING, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP AMONG OTHER RESPONSIBILITIES. OUR CORPORATORS ARE OUR COMMUNITY-LIAISONS AND REPRESENT ALL SECTORS OF OUR COMMUNITIES PROVIDING INPUT AND FEEDBACK REGULARLY. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

SCHEDULE H, PART VI, LINE 6

AFFILIATED HEALTH CARE SYSTEM:

THE ENTITIES OF L+M HEALTHCARE INCLUDE L+M HOSPITAL, THE L+M MEDICAL GROUP (L+MMG, PHYSICIAN PRACTICES), THE VISITING NURSE ASSOCIATION OF SOUTHEASTERN CT (VNASC), AND WESTERLY HOSPITAL (RHODE ISLAND) EACH OF WHICH HAVE A ROLE IN PROMOTING THE HEALTH OF OUR COMMUNITIES. THE L+M HOSPITAL ROLE IS DESCRIBED IN QUESTION 5 ABOVE AND WESTERLY HOSPITAL

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

OPERATES IN SIMILAR FASHION: IMPLEMENTING COMMUNITY HEALTH IMPROVEMENT ACTIVITIES, PROVIDING OPPORTUNITIES FOR HEALTH PROFESSIONS STUDENTS, ENSURING ACCESS TO CARE, PROMOTING PRIMARY PREVENTIVE CARE, PROVIDING SUBSIDIZED HEALTH SERVICES AND SERVING AS A SAFETY NET PROVIDER. VNASC CARES FOR EVERYONE FROM THE ELDERLY WHO WISH TO REMAIN IN THEIR HOMES FOR AS LONG AS THEY CAN AND PATIENTS RECOVERING FROM SURGERY OR ILLNESS, TO NEW MOTHERS, SCHOOLCHILDREN, AND THE HOMELESS USING THE MOST CURRENT MEDICAL ADVANCES AND TECHNOLOGIES IN HOME HEALTHCARE, AND STRENGTHEN COMMUNITY RESOURCES FOR EVERYONE. L+MMG, THROUGH ITS PATIENT-CENTERED MEDICAL HOME PRIMARY CARE AND SPECIALTY PRACTICES PROVIDES DIAGNOSTIC, THERAPEUTIC AND PREVENTIVE HEALTH CARE THROUGH PHYSICIANS OF FAMILY PRACTICE, INTERNAL MEDICINE, PEDIATRICS, DERMATOLOGY, ENDOCRINOLOGY, GENERAL SURGERY, ORTHOPEDIC SURGERY, NEUROSURGERY, BREAST AND RECONSTRUCTIVE SURGERY, NEUROLOGY, REHABILITATION MEDICINE, OBSTETRICS, GYNECOLOGY, CARDIOLOGY AND INTERVENTIONAL PAIN MANAGEMENT IN MULTIPLE LOCATIONS THROUGHOUT SOUTHEASTERN CT AND SOUTHWESTERN RI.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

SCHEDULE H, PART VI, LINE 7

STATE FILING OF COMMUNITY BENEFIT REPORT:

L+M HOSPITAL FILES ITS COMMUNITY BENEFIT REPORT IN CONNECTICUT ONLY. THE L+M HEALTHCARE AFFILIATED ORGANIZATION, WESTERLY HOSPITAL, FILES REPORTS ON RHODE ISLAND.

OTHER INFORMATION:

A MAJORITY OF L+M HOSPITAL'S TRUSTEES ARE MEMBERS OF THE COMMUNITY SERVED BY L+M HOSPITAL AND ARE NOT EMPLOYED BY L+M HOSPITAL NOR ARE THEY FAMILY MEMBERS OF PERSONS EMPLOYED BY L+M HOSPITAL. L+M HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY WHO WISH TO JOIN THE STAFF, CONSISTENT WITH THE SIZE AND NATURE OF ITS FACILITIES. EXCESS RECEIPTS FROM OPERATIONS ARE DEVOTED TO IMPROVEMENT OF FACILITIES, DEBT SERVICE, MEDICAL TRAINING AND RESEARCH.

HEALTH ADVOCACY INITIATIVES

L+M HOSPITAL IS INVOLVED IN HEALTH ADVOCACY INITIATIVES TO REDUCE

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

UNINTENTIONAL INJURY TO CHILDREN, AND TO IMPROVE THE HEALTHCARE, PUBLIC HEALTH AND SOCIAL SERVICE SYSTEMS IN NEW LONDON COUNTY. OUR SAFE KIDS NEW LONDON COUNTY PROGRAM PLAYS A LEADERSHIP ROLE ON THE LOCAL, STATE AND NATIONAL LEVELS IN ADVOCATING FOR PUBLIC POLICIES THAT REDUCE INJURY RISK FOR CHILDREN. L+M HOSPITAL'S LEADERSHIP IN THE NEW LONDON COUNTY HEALTH COLLABORATIVE, AND PARTNERSHIP WITH OVER 12 OTHER ORGANIZATIONS INCLUDING BACKUS HOSPITAL, THREE HEALTH DEPARTMENTS, THREE FEDERALLY QUALIFIED HEALTH CENTERS, THE COUNTY ANTI-POVERTY AGENCY, TWO HOMECARE ORGANIZATIONS, AND THE COUNTY'S LARGEST CHILD ADVOCACY ORGANIZATION, HAS RESULTED IN THE COLLABORATIVE BEING LOOKED TO AS A VALUABLE RESOURCE FOR POLICY MAKERS. ADDITIONALLY, THE EFFORTS OF THE NEW LONDON COUNTY HEALTH COLLABORATIVE ARE HAVING AN IMPACT ON COMMUNITY HEALTH, INITIALLY IN THE AREA OF IMPROVED ACCESS TO CARE.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 20d, 21, and 22.

STATE FILING OF COMMUNITY BENEFIT REPORT

CT,

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☒ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain 1b		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? 2	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
	☒ Compensation committee		
	☒ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☒ Compensation survey or study		
	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? 4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? 4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? 4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? 5a		X
b	Any related organization? 5b		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? 6a		X
b	Any related organization? 6b		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III 7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III 8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? 9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	BRUCE D. CUMMINGS PRESIDENT/CEO	(i)	534,064.	86,169.	18,782.	79,826.	15,050.	733,891.	0
		(ii)	0	0	0	0	0	0	0
2	HENRY AMDUR, MD PAST PRESIDENT, MEDICAL STAFF	(i)	0	0	13,653.	0	0	13,653.	0
		(ii)	287,227.	90,876.	1,191.	10,000.	7,419.	396,713.	0
3	LUGENE INZANA VP CHIEF FINANCIAL OFFICER	(i)	317,189.	36,090.	1,242.	40,827.	20,256.	415,604.	0
		(ii)	0	0	0	0	0	0	0
4	WILLIAM STANLEY VP DEV & COMMUNITY RELATIONS	(i)	172,260.	15,909.	17,034.	23,278.	23,834.	252,315.	
		(ii)	0	0	0	0	0	0	0
5	ATTORNEY MAUREEN ANDERS ASSISTANT SECRETARY	(i)	241,289.	21,022.	810.	30,038.	20,256.	313,415.	0
		(ii)	0	0	0	0	0	0	0
6	DANIEL RISSI, MD VP CHEIF MEDICAL OFFICER	(i)	356,831.	44,797.	3,564.	45,269.	15,050.	465,511.	0
		(ii)	0	0	0	0	0	0	0
7	KIMBERLY KALAJAINEN VP CHEIF INFORMATION OFFICER	(i)	199,301.	11,020.	10,849.	25,787.	23,120.	270,077.	0
		(ii)	0	0	0	0	0	0	0
8	CRISTA DURAND VP STRATEGIC PLANNING/MKTG	(i)	252,218.	31,685.	540.	32,277.	20,256.	336,976.	0
		(ii)	0	0	0	0	0	0	0
9	LAUREN WILLIAMS VP PATIENT CARE SERVICES	(i)	232,720.	26,861.	2,322.	28,880.	8,445.	299,228.	0
		(ii)	0	0	0	0	0	0	0
10	PAMELA KANE VP PHYSICIANS PRACTICE	(i)	208,053.	24,980.	540.	25,453.	23,632.	282,658.	0
		(ii)	0	0	0	0	0	0	0
11	GARTH BALLANTYNE CHAIRMAN DEPT OF SURGERY	(i)	172,144.	0	22,182.	0	4,223.	198,549.	0
		(ii)	0	0	0	0	0	0	0
12	DAVID F. RETSFELD, MD VP, MED STAFF	(i)	0	0	0	0	0	0	0
		(ii)	301,372.	71,998.	3,240.	10,000.	24,798.	411,408.	0
13	GERALDINE RUFFA MEDICAL DIRECTOR, PHYSICIAN	(i)	227,550.	1,467.	690.	9,413.	23,632.	262,752.	0
		(ii)	0	0	0	0	0	0	0
14	DONNA EPPS VP CHIEF HR OFFICER	(i)	177,658.	178.	1,535.	17,866.	0	197,237.	0
		(ii)	0	0	0	0	0	0	0
15	KENNETH CIKATZ PHARMACIST	(i)	174,740.	3,451.	11,007.	7,716.	16,890.	213,804.	0
		(ii)	0	0	0	0	0	0	0
16	PAUL CHAUSSE DIRECTOR OF REVENUE CYCLE	(i)	145,447.	28,889.	300.	7,102.	8,886.	190,624.	0
		(ii)	0	0	0	0	0	0	0

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
GARY CASS	(i)	166,180.	1,146.	3,810.	1,142	17,585.	189,863.	0
1 DIRECTOR HR/LABOR RELATIONS	(ii)	0	0	0	0	0	0	0
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DOHP1582

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART I, LINES 1A AND 1B

WILLIAM STANLEY, VP OF DEVELOPMENT, HAS A NONTAXABLE MEMBERSHIP TO THE THAMES CLUB IN NEW LONDON. THE THAMES CLUB IS A SOCIAL CLUB THAT ALLOWS NETWORKING WITH POTENTIAL DONORS OR BOARD MEMBERS.

BRUCE CUMMINGS, PRESIDENT & CEO, AUTHORIZES WILLIAM STANLEY'S MEMBERSHIP IN THE THAMES CLUB IN HIS ROLE AS VICE PRESIDENT OF DEVELOPMENT & COMMUNITY RELATIONS OF LAWRENCE & MEMORIAL HOSPITAL. IN AN EFFORT TO CONDUCT BUSINESS IN THE COMMUNITY AND REPRESENT LAWRENCE & MEMORIAL HOSPITAL, THE THAMES CLUB PROVIDES AN APPROPRIATE SETTING FOR MEETINGS WITH BOARD MEMBERS AND BOTH CURRENT AND POTENTIAL DONORS.

SCHEDULE J, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL ESTABLISHED A SECTION 457(F) SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S SENIOR MANAGEMENT. AMOUNTS FOR BRUCE CUMMINGS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR, AMOUNTS FOR ALL OTHER MEMBERS OF SENIOR MANAGEMENT ARE CREDITED TO THE PLAN ANNUALLY. PLAN AMOUNTS WILL BE PAID ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY

DOHP1583

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE PLAN AGREEMENT. SECTION 457(F) CONTRIBUTIONS ARE REPORTED ON SCHEDULE J, PART II, COLUMN C.

DURING 2012, SECTION 457(F) CONTRIBUTIONS WERE CREDITED TOWARDS THE PLAN AS FOLLOWS:

BRUCE CUMMINGS - $69,826

DANIEL RISSI - $35,269

LUGENE INZANA - $30,827

CRISTA DURAND - $22,277

LAUREN WILLIAMS - 18,880

PAMELA KANE - $15,453

KIMBERLY KALAJAINEN - $16,063

WILLIAM STANLEY - $14,379

DONNA EPPS - $10,280

MAUREEN ANDERSON - $20,038

SCHEDULE J, PART I, LINE 7

L&M HOSPITAL HAS AN EXECUTIVE INCENTIVE PLAN. BONUSES ARE AWARDED UNDER THE PLAN BASED ON THE EXECUTIVE MEETING TEAM AND PERSONAL GOALS. THE PLAN ALSO INCLUDES A DISCRETIONARY COMPONENT. MEMBERS OF L&M HOSPITAL'S SENIOR

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

MANAGEMENT TEAM (PRESIDENT & VICE PRESIDENTS) ARE ELIGIBLE FOR ANNUAL EXECUTIVE INCENTIVE PLAN AWARDS, BASED ON PRE-SET PERCENTAGES OF BASE SALARY TO EACH EXECUTIVE BASED ON THE HOSPITAL MEETING ITS FINANCIAL AND WORK-PLAN GOALS AS WELL AS THE EXECUTIVE MEETING PREDETERMINED INDIVIDUAL AND TEAM GOALS. IN THE CASE OF AN EXECUTIVE NOT MEETING ALL OF THEIR PREDETERMINED GOALS, A PERCENTAGE OF THE ELIGIBLE TARGET AMOUNT MAY BE AWARDED.

TAX-EXEMPT BONDS

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CT HEFA VAR RATE DEMAND REV BONDS, SERIES E	06-0806186	20774L089	01/16/2008	22,990,000.	SEE PART VI		X		X		X
B	CT HEFA FIXED RATE REV BONDS, SERIES F	06-0806186	VARIOUS	09/15/2011	61,831,040.	SEE PART VI		X		X		X
C												
D												

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired		2,885,000.		
2 Amount of bonds legally defeased				
3 Total proceeds of issue	22,990,000.	61,831,040.		
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds		1,021,749.		
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds	22,990,000.	60,809,291.		
12 Other unspent proceeds				
13 Year of substantial completion				

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14 Were the bonds issued as part of a current refunding issue?	X		X					
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X				
2 Are there any lease arrangements that may result in private business use of bond-financed property?				X				

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2012

JSA
2E1295 1.000 33042N 7377

DOHP1586

TAX-EXEMPT BONDS

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?				X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?				X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?				X				
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?				X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?				X				

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X	X					
b Exception to rebate?	X			X				
c No rebate due?		X		X				
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed	X			X				
3 Is the bond issue a variable rate issue?								
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

DOHP1587

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X				

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X		X				

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

DOHP1588

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

FORM 990, SCHEDULE K, PART I, COLUMN (F)

NAME OF BOND: $22,990,000 VAR. RATE DEMAND REV, BDS. LAWRENCE & MEMORIAL HOSP. ISSUE, SERIES E REFUNDED 2004 ISSUE, WHICH REFUNDED 1998 ISSUE.

NAME OF BOND: $58,940,000 FIXED RATE REV BONDS, SERIES F THE PROCEEDS OF THE SERIES F BONDS WILL BE USED TO REFUND THE OUTSTANDING AUTHORITY REVENUE BONDS, LAWRENCE & MEMORIAL HOSPITAL ISSUE, SERIES D (THE "SERIES D BONDS") AND TO FUND ALL OR A PORTION OF THE FOLLOWING CAPITAL PROJECTS:

(1) REPLACEMENT OF A LINEAR ACCELERATOR ON THE MAIN CAMPUS OF THE HOSPITAL.

(2) CAPITAL IMPROVEMENTS FOR INFRASTRUCTURE RENOVATION AND IMPROVEMENT ON THE MAIN CAMPUS, INCLUDING HEATING, VENTILATION, AND AIR CONDITIONING PROJECT.

(3) REPLACEMENT OF A CATHETERIZATION LAB AND EQUIPMENT ON THE MAIN CAMPUS.

(4) ACQUISITION OF APPROXIMATELY 100 ACRES OF LAND IN WATERFORD, CONNECTICUT FOR DEVELOPMENT OF A NEW CANCER CENTER.

(5) ACQUISITION AND INSTALLATION OF MAGNETIC RESONANCE IMAGING (MRI) AND CT EQUIPMENT AT THE CROSSROADS FACILITY.

DOHP1589

Part VI **Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

FORM 990, SCHEDULE K, PART III, LINE 9; PART IV, LINE 7; & PART V

IN GENERAL, L&M HOSPITAL WORKS TO ENSURE POST ISSUANCE COMPLIANCE FOR ITS TAX-EXEMPT BOND IN ACCORDANCE WITH BOND ISSUANCE DOCUMENTS. L&M HOSPITAL IS IN THE PROCESS OF DEVELOPING WRITTEN PROCEDURES FOR POST ISSUANCE COMPLIANCE FOR THE FOLLOWING:

- TO ENSURE ALL NONQUALIFIED BONDS OF THE ISSUANCE ARE REMEDIATED IN ACCORDANCE WITH REQUIREMENTS OF REGULATIONS SECTIONS 1.141-12 & 1.145-2.
- TO MONITOR THE REQUIREMENTS OF SECTION 148.
- TO ENSURE THAT VIOLATIONS OF FEDERAL TAX REQUIREMENTS ARE TIMELY IDENTIFIED AND CORRECTED THROUGH THE VOLUNTARY CLOSING AGREEMENT PROGRAM IF SELF-REMEDIATION IS NOT AVAILABLE UNDER APPLICABLE REGULATIONS.

DOHP1590

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open To Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only)
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total . . . . . ▶ $												

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
					Yes	No
(1)	NORTHEAST UTILITIES	BOARD MEMBER/DIRECTOR	1,331,894.	UTILITIES SERVICES		X
(2)	BLUECROSS BLUESHIELD	SECRETARY'S IN LAW IS CEO	1,541,461.	INSURANCE PREMIUMS		X
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

FORM 990, PART III, LINE 4

LAWRENCE & MEMORIAL HOSPITAL PROVIDES QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF LAWRENCE & MEMORIAL HOSPITAL, WE RECOGNIZE THAT NOT ALL PERSONS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES; AND, FURTHER, WE BELIEVE THAT A PART OF OUR MISSION IS TO CARE FOR THE MEDICALLY UNDER-SERVED IN OUR COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION. IN KEEPING WITH OUR HOSPITAL'S MISSION OF "IMPROVING THE HEALTH OF OUR REGION" AND OUR COMMITMENT TO SERVE ALL MEMBERS OF ITS COMMUNITY, WE PROVIDE:

- FREE CARE AND/OR SUBSIDIZED CARE.
- CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS AT BELOW COST.
- A BROAD RANGE OF HEALTH CARE ACTIVITIES, PROGRAMS AND SERVICES TO SUPPORT OUR COMMUNITY.
- A SPECIAL COMMUNITY OUTREACH PROGRAM.

THESE PROGRAMS WILL BE CONSIDERED WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXIST. THESE ACTIVITIES INCLUDE WELLNESS PROGRAMS, EMERGENCY RESPONSE PROGRAMS, COMMUNITY HEALTH SCREENINGS, COMMUNITY EDUCATION PROGRAMS, SPECIAL PROGRAMS FOR THE ELDERLY, HANDICAPPED, AND THE MEDICALLY UNDER-SERVED, AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES.

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

DURING THE YEAR ENDED SEPTEMBER 30, 2013, LAWRENCE & MEMORIAL HOSPITAL SERVED 14,659 HOSPITALIZED PATIENTS AND 177,976 PATIENT VISITS THROUGH OUR AMBULATORY PROGRAMS. IN ADDITION, 88,813 EMERGENCY CASES CAME THROUGH OUR EMERGENCY FACILITIES IN NEW LONDON (50,959) AND GROTON (37,854). SAME DAY SURGERIES ACCOUNTED FOR 9,282 PROCEDURES.

RECOGNIZING ITS MISSION TO THE COMMUNITY, LAWRENCE & MEMORIAL HOSPITAL PROVIDES CARE TO PERSONS COVERED BY FEDERAL AND STATE PROGRAMS AT OR BELOW COST. LAWRENCE & MEMORIAL HOSPITAL ALSO RECOGNIZES CHARITY CARE IN FULFILLING ITS MISSION TO THE ENTIRE COMMUNITY. CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR, BASED UPON ACTIVITIES AND SERVICES WHICH LAWRENCE & MEMORIAL HOSPITAL BELIEVES WILL SERVE A "BONA FIDE" COMMUNITY HEALTH CARE NEED.

OVERVIEW

========

LAWRENCE & MEMORIAL HOSPITAL BELIEVES THAT MOTIVATION THROUGH EDUCATION IS A STRONG FORCE IN HELPING INDIVIDUALS PREVENT ILLNESSES AND MAKE INFORMED CHOICES ABOUT THEIR BODIES AND WHAT HAPPENS TO THEM. OUR APPROACH PROVIDES ACCURATE HEALTH INFORMATION THROUGH A VARIETY OF PROGRAMMING EFFORTS SO CONSUMERS FEEL A PART OF THE DECISION-MAKING PROCESS AND HAVE AN ACTIVE ROLE IN THOSE DECISIONS. AS A RESULT, LAWRENCE & MEMORIAL REMAINS AMONG CONNECTICUT'S MOST PRO-ACTIVE HOSPITALS

IN OFFERING DIVERSIFIED AND BROAD-BASED COMMUNITY HEALTH EDUCATION PROGRAMS. THESE PROGRAMMING EFFORTS INCLUDE COMMUNITY LECTURES AT THE HOSPITAL, CABLE TV ACCESS PROGRAMMING, RELIABLE HEALTH INFORMATION WITH OVER 2,500 HEALTH-RELATED ARTICLES ON THE HOSPITAL'S WEB SITE (WWW.LMHOSPITAL.ORG), TOURS, SUPPORT GROUPS, COMMUNITY EDUCATIONAL PROGRAMS, PUBLIC SERVICE ANNOUNCEMENTS AND SCREENING AND HEALTH FAIRS, INCLUDING ONSITE VISITS TO LARGE AND SMALL COMPANIES.

LAWRENCE & MEMORIAL'S COMMUNITY OUTREACH PROGRAM HAS BEEN ABLE TO REACH A BROAD, CROSS-SECTION OF THE GREATER NEW LONDON COMMUNITY IN SOUTHEASTERN CONNECTICUT.

THE COMMUNITY CONTRIBUTIONS ALSO INCLUDE SOME UNMENTIONED COMMUNITY BENEFITS SUCH AS: ADMINISTRATIVE AND FINANCIAL SUPPORT, OFFICE SPACE AND A LIBRARY OF ACCESSIBLE RESOURCES TO LEADERSHIP WITHIN THE VARIOUS FAITH COMMUNITIES IN OUR REGION.

IN ADDITION, THERE ARE MANY COMMUNITY ORGANIZATIONS THAT WE SUPPORT AS PART OF BEING A GOOD NEIGHBOR AND TO RECOGNIZE THEIR EFFORTS IN OUR COMMUNITY.

FORM 990, PART VI, LINE 2
DONALD FELITTO, R. ALAN HUNTER, MAUREEN ANDERSON, LUGENE INZANA AND HENRY AMDUR SERVE ON THE BOARD OF L&M INDEMNITY, A RELATED ORGANIZATION.

FORM 990, PART VI, LINE 11A
WORKING WITH A PAID PREPARER, A FORM 990 IS PREPARED. L&M HOSPITAL'S FORM

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

990 IS THEN REVIEWED BY THE HOSPITAL'S INTERNAL MANAGEMENT. THE COMPLETED FORM 990 IS PROVIDED TO ALL MEMBERS OF THE BOARD OF DIRECTORS PRIOR TO THE FORM BEING FILED WITH THE IRS.

FORM 990, PART VI, LINE 12

L&M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L&M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

L&M HOSPITAL EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGEMENT. UTILIZING AN INDEPENDENT COMPENSATION CONSULTANT, THE EXECUTIVE COMPENSATION COMMITTEE APPROVES COMPENSATION. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES. CEO'S COMPENSATION IS APPROVED BY THE FULL BOARD.

FORM 990, PART VI, LINE 18

FORM 990 WILL ALSO BE MADE AVAILABLE THROUGH GUIDESTAR.ORG.

FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART VII, SECTION A

HENRY AMDUR, MD IS COMPENSATED FOR SERVICES PROVIDED TO THE HOSPITAL AS

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

AN INDEPENDENT CONTRACTOR. ROBERT KELTNER, MD AND DONALD FELITTO, MD ARE COMPENSATED AS MEDICAL STAFF AND NOT AS DIRECTORS.

PART 990, PART IX, LINE 25

FUNDRAISING EXPENSES ARE REPORTED ON FORM 990, PART IX FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704) AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). ADDITIONAL CONTRIBUTIONS IN THE AMOUNT OF $2,685,385 ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

FORM 990, PART XI, LINE 9

REALIZED LOSSES	-$262,223
PAYMENTS TO AFFILIATES	-$4,467,122
CHANGE IN VALUE OF IRREVOCABLE TRUSTS	$239,710
INCREASE IN FUNDS HELD IN TRUST BY OTHERS	$82,447
CHANGE IN MINIMUM PENSION LIABILITY	$5,929,845
	$1,522,657

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
IPC HOSPITALISTS COMPANY, INC. PO BOX 8219 PASADENA, CA 91103	HOSPITALISTS	1,993,072.
YANKEE REMODELER OF NEW LONDON 95 TRUMAN STREET NEW LONDON, CT 06320	REMODELING COMPANY	867,269.

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
TOTAL LAUNDRY COLLABORATIVE, LLC 114 WOODLAND STREET HARTFORD, CT 06105	LAUNDRY SERVICES	852,054.
NIXON PEABODY, LLP ATTORNEYS AT LAW 100 SUMMER ST BOSTON, MA 02110-2131	ATTORNEYS	2,196,428.
B&L CONSTRUCTION, INC. 756 MIDDLESEX TPKE OLD SAYBROOK, CT 06475	REMODELING COMPANY	995,730.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL CORPORATION 22-2553028 365 MONTAUK AVENUE NEW LONDON, CT 06320	SUPPORT	CT	501(C)(3)	11 TYPE I	N/A		X
(2) LAWRENCE & MEMORIAL FOUNDATION, INC. 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	501(C)(3)	PF	L&M CORP	X	
(3) L&M HEALTHCARE, INC. 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SE CT 20-8006123 404 THAMES STREET GROTON, CT 06340	PHYS PRACTICE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(5) VISITING NURSE ASSOCIATE OF SE CT 06-0646616 403 N FRONTAGE ROAD WATERFORD, CT 06385	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION INC 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(7) LMW HEALTHCARE, INC. 46-0543230 25 WELLS ST WESTERLY, RI 02879	HEALTHCARE	RI	501(C)(3)	11 TYPE I	L&M CORP	X	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE WESTERLY HOSPITAL FOUNDATION, INC. 05-0508064 25 WELLS STREET WESTERLY, RI 02891	FUNDRAISING	RI	501(C)(3)		LMW HEALTH	X	
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

DOHP1600

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
(1) L&M SYSTEMS, INC. 22-2953037 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	N/A	C				X	
(2) L&M HOMECARE SERVICES, INC. 06-1382232 365 MONTAUK AVENUE NEW LONDON, CT 06320	THERAPY	CT	N/A	C				X	
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 EYL-1102 GRAND CAYMAN, CAYMAN ISLANDS CJ	INSURANCE	CJ	N/A	C				X	
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSPITAL	TRUST				X	
(5)									
(6)									
(7)									

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b	X	
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l		X
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o	X	
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r		X
s	Other transfer of cash or property from related organization(s)	1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	ASSOCIATED SPECIALISTS OF SE CT	O	18,357.	CASH
(2)	ASSOCIATED SPECIALISTS OF SE CT	P	392,115.	CASH
(3)	ASSOCIATED SPECIALISTS OF SE CT	B	424,608.	CASH
(4)	L&M PHYSICIAN ASSOCIATION, INC.	B	15,724,357.	CASH
(5)				
(6)				

DOHP1602

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
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(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

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Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lawrence + Memorial Hospital

Consolidated Financial Statements and Supplemental Information
September 30, 2013 and 2012

Lawrence + Memorial Hospital
Index
September 30, 2013 and 2012

Page(s)

Report of Independent Auditors 1-2

Consolidated Financial Statements

Consolidated Balance Sheets 3

Consolidated Statements of Operations 4

Consolidated Statements of Changes in Net Assets 5

Consolidated Statements of Cash Flows 6

Notes to Consolidated Financial Statements 7–25

Consolidating Supplemental Information

Consolidating Balance Sheets 26–29

Consolidating Statements of Operations 30–31

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Report of Independent Auditors

To the Board of Trustees of
Lawrence + Memorial Hospital

We have audited the accompanying consolidated financial statements of Lawrence + Memorial Hospital (a subsidiary of Lawrence + Memorial Corporation, the "Hospital"), which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence + Memorial Hospital (a subsidiary of Lawrence + Memorial Corporation, the "Hospital") and its subsidiary at September 30, 2013 and September 30, 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP, 185 Asylum Street, Suite 2400, Hartford, CT 06103-3404
T: (860) 241 7000, F: (860) 241 7590, www.pwc.com/us

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 26 through 31, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations. However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

January 10, 2014

Lawrence + Memorial Hospital
Consolidated Balance Sheets
September 30, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	$ 418,968	$ 13,709,499
Investments	130,950,162	138,433,638
Patient accounts receivable, net of allowance for doubtful accounts of $5,068,102 and $8,514,265, respectively	33,903,908	28,946,593
Other receivables	17,671,453	17,488,730
Inventories	5,845,470	4,469,470
Due from affiliates	1,316,775	639,799
Prepaid expenses and other current assets	2,256,097	2,004,576
Debt service fund	1,306,255	1,307,110
Total current assets	193,669,088	208,999,415
Assets limited as to use		
Cash	182,368	180,789
Construction fund	9,541,885	-
Investments held in trust	985,034	971,261
Endowment investments	17,922,954	16,251,376
Funds held in trust by others	6,773,578	6,451,420
Contributions receivable	20,366	20,366
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,255	2,247,125
Total assets limited as to use	37,673,238	26,122,337
Deferred financing costs and other assets, net	1,776,176	1,857,504
Property, plant and equipment, net	161,990,209	134,926,548
	$ 395,108,711	$ 369,905,804
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 24,079,687	$ 25,447,380
Accrued vacation and sick pay	11,523,272	12,283,930
Salaries, wages, payroll taxes and amounts withheld from employees	4,495,457	3,887,888
Due to affiliates	1,867,732	2,421,244
Due to third party payors	3,826,094	5,409,556
Current portion of long-term debt	4,487,234	2,762,007
Total current liabilities	50,279,476	52,212,005
Accrued pension and other postretirement benefits	42,309,345	51,185,800
Other liabilities	17,774,823	17,998,408
Long-term debt, less current portion	86,439,477	79,507,217
Total liabilities	196,803,121	200,903,430
Net assets		
Unrestricted	170,160,088	143,045,328
Temporarily restricted	22,198,248	20,092,239
Permanently restricted	5,947,254	5,864,807
Total net assets	198,305,590	169,002,374
	$ 395,108,711	$ 369,905,804

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Hospital
Consolidated Statements of Operations
Years Ended September 30, 2013 and 2012

	2013	2012
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 315,384,106	$ 329,278,379
Provision for bad debt	(12,127,746)	(12,114,319)
Net revenue less provision for bad debt	303,256,360	317,164,060
Other operating revenues	19,592,810	11,277,917
Net assets released from restriction used for operations	508,227	449,575
Total unrestricted revenues, gains and other support	323,357,397	328,891,552
Expenses		
Salaries and wages	149,825,846	152,912,737
Employee benefits	43,535,428	42,122,837
Supplies	45,171,409	46,248,498
Purchased services	23,622,138	24,623,743
Other	33,252,775	28,877,147
Interest	2,705,025	2,315,992
Depreciation and amortization	20,641,159	18,825,589
Total expenses	318,753,780	315,926,543
Income from operations	4,603,617	12,965,009
Nonoperating gains		
Unrestricted investment income	122,109	160,370
Income from investments	6,041,461	4,424,194
Total nonoperating gains	6,163,570	4,584,564
Excess of revenues over expenses	10,767,187	17,549,573
Transfers from/(to) affiliated entity	1,136,545	(16,931,534)
Net unrealized gains on investments	9,113,432	11,303,455
Net assets released from restriction used for purchase of property, plant and equipment	167,751	136,178
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	$ 27,114,760	$ 1,306,428

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Hospital
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2013 and 2012

	2013	2012
Unrestricted net assets		
Excess of revenues over expenses	$ 10,767,187	$ 17,549,573
Transfer from/(to) affiliated entities	1,136,545	(16,931,534)
Net unrealized gains on investments	9,113,432	11,303,455
Net assets released from restrictions used for purchase of property, plant and equipment	167,751	136,178
Pension related changes other than periodic pension costs	5,929,845	(10,751,244)
Increase in unrestricted net assets	27,114,760	1,306,428
Unrestricted net assets		
Beginning of year	143,045,328	141,738,900
End of year	$ 170,160,088	$ 143,045,328
Temporarily restricted net assets		
Income from investments	$ 843,386	$ 357,100
Net assets released from restrictions	(675,978)	(585,753)
Contributions received	235,453	161,666
Change in value of irrevocable trust	239,710	488,575
Net realized and unrealized gains on investments	1,663,438	1,877,872
Increase in temporarily restricted net assets	2,106,009	2,299,460
Temporarily restricted net assets		
Beginning of year	20,092,239	17,792,779
End of year	$ 22,198,248	$ 20,092,239
Permanently restricted net assets		
Change in value of funds held in trust by others	$ 82,447	$ 354,949
Increase in permanently restricted net assets	82,447	354,949
Permanently restricted net assets		
Beginning of year	5,864,807	5,509,858
End of year	$ 5,947,254	$ 5,864,807
Increase in net assets	$ 29,303,216	$ 3,960,837

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence + Memorial Hospital
Consolidated Statements of Cash Flows
Years Ended September 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Change in net assets	$ 29,303,216	$ 3,960,837
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	20,641,159	18,825,589
Resticted contributions	(883,096)	(845,675)
Net unrealized and realized gains on investments	(10,508,881)	(12,785,921)
Provision for bad debts	12,127,746	12,114,319
Increase in funds held in trust by others	(322,158)	(843,487)
Increase in contributions receivable	-	(38)
Changes in other operating accounts		
Patient accounts receivable, net	(17,085,061)	(10,577,581)
Other receivables, net	(182,723)	(13,490,272)
Inventories	(1,376,000)	58,547
Due from affiliates	(676,976)	(61,638)
Prepaid expenses and other current assets	(251,521)	(264,772)
Deferred financing costs and other assets	81,328	81,329
Accounts payable	(2,389,268)	4,239,453
Accrued vacation and sick pay	(760,658)	578,119
Salaries, wages, payroll taxes and amounts withheld from employees	607,569	761,990
Due to affiliates	(553,512)	507,253
Due to third party payors	(1,583,462)	(2,428,532)
Pension, postretirement and other liabilities	(9,100,040)	11,547,267
Net cash provided by operating activities	17,087,662	11,376,787
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(46,683,245)	(34,257,462)
Purchase of investments	(63,030,285)	(66,467,708)
Sales of investments	69,794,029	63,569,041
Decrease/(increase) in debt service fund	855	(197,218)
(Increase)/decrease in funds held in escrow	(130)	245
Net cash used in investing activities	(39,918,776)	(37,353,102)
Cash flows from financing activities		
Restricted contributions	883,096	845,675
Principal payments of long term debt	(2,938,881)	(2,957,189)
Proceeds of long term debt	11,596,368	-
Net cash provided by/(used in) financing activities	9,540,583	(2,111,514)
Net decrease in cash and cash equivalents	(13,290,531)	(28,087,829)
Cash and cash equivalents		
Beginning of year	13,709,499	41,797,328
End of year	$ 418,968	$ 13,709,499
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 2,105,176	$ 3,126,751
Contributed securities	$ 883,096	$ 845,675

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization
Lawrence + Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut, is a wholly owned subsidiary of Lawrence + Memorial Corporation (the "Corporation"). The Board of the Corporation elects a Board of Directors who manages the property and affairs of the Hospital.

Principles of Consolidation
The consolidated financial statements include the accounts of the Hospital and its wholly owned subsidiary, Associated Specialists of Southeastern Connecticut, Inc. ("Associated Specialists"). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Hospital's significant estimates include the collectability of patient accounts receivable, useful lives of fixed assets, estimated settlements due to third party payors, valuation of certain investments, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Regulatory Matters
The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access ("OHCA").

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital and its subsidiary in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Hospital and its subsidiary consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices where available or net asset values provided by investment managers. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Hospital's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Hospital for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors and contribution receivables for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, the Hospital's interest in externally managed trusts, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or, if received as a donation, at the fair value on the date received. The Hospital provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Non-operating Gains and Losses
Activities other than in connection with providing health care services are considered to be non-operating.

Excess of Revenues Over Expenses
The consolidated statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from the excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Certain investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long-term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Hospital for debt of the same remaining maturities.

Medical Malpractice Self-Insurance
The Hospital purchases claims made-based professional and general liability insurance to cover medical malpractice claims from L + M Indemnity, Ltd. The Hospital has adopted the policy of self-insuring the tail coverage portion of its malpractice insurance coverage. Management has accrued the estimate of losses anticipated to be incurred.

Income Taxes
The Hospital and its wholly owned subsidiary, Associated Specialists, are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c) (3) of the Internal Revenue Code.

Inventories
Inventory consists of supplies, both medical and general, pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. This payout is only upon termination of employment.

Subsequent Events
The Hospital has performed an evaluation of subsequent events through January 10, 2014, which is the date the financial statements were issued.

The Hospital's negotiations with two of its three unions, AFT Healthcare, AFT-CT, AFT, AFL-CIO, Local 5049 (registered nurses) and AFT Healthcare, AFT-CT, AFLCIO, Local 5051 (licensed practical nurses and technicians) for a new contract resulted in a 4-day strike that commenced on November 27, 2013. The Hospital brought in temporary replacement workers, and, in order to provide ongoing patient care given the threat of additional, intermittent strikes, had a lockout of employees through December 18, 2013. The lockout was lifted and employees returned to work without a contract being reached. Contract negotiations will be resumed in February 2014. In response to the strike, the Hospital initially curtailed services in its Intensive Care Unit and for elective surgeries, both of which are being gradually returned to full service. The Hospital is monitoring the negative impact of the strike and lockout on both revenues and expenses. Negotiations with the two unions are ongoing, however, no assurance can be given regarding the outcome of such negotiations.

2. Revenues from Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2013	2012
Gross charges from services to patients	$ 718,354,285	$ 704,064,528
Less: Charity care	7,125,259	5,799,817
Charges from services to patients, net of charity care	711,229,026	698,264,711
Deductions		
Allowances	394,797,284	371,565,459
State of Connecticut uncompensated care system (receipts)	1,047,636	(2,579,127)
Total deductions	395,844,920	368,986,332
Net revenues from services to patients	$ 315,384,106	$ 329,278,379

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Corporation, and these differences are accounted for as allowances. The state of Connecticut has reduced Uncompensated Care Payments to all hospitals beginning July 2013 for a three year period. The impact to L + M Hospital in Fiscal Year 2013 is a reduction of $3,000,000, with further reductions to occur in Fiscal Year 2014 and 2015. In 2013, the Corporation paid cash into the State of Connecticut Uncompensated Care Pool that exceeded the amount was received from the State. Fiscal year 2013 resulted in a decrease in net revenue whereas fiscal year 2012 was an increase to net revenue.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $1,126,576 and $4,271,085 in 2013 and 2012, respectively.

During 2013 and 2012, approximately 33% of net patient service revenue was received under the Medicare program, and 12% and 11%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Non compliance could result in significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenues for financial reporting purposes.

3. Investments

Investments at September 30 consist of:

	2013	2012
Endowment investments		
Cash and cash equivalents	$ 201,482	$ 311,567
Bonds	2,393,150	3,160,573
Mutual funds	9,977,123	8,137,871
Hedge funds	4,734,703	4,181,923
Private equities	90,111	39,230
Marketable equities	526,385	420,212
Total pooled endowment funds	17,922,954	16,251,376
Funds held in trust by others		
Investments held in trust by others	6,773,578	6,451,420
Total investments held in trust by others	6,773,578	6,451,420
Other investments		
Cash and cash equivalents	1,039,729	1,195,140
Bonds	19,613,262	42,457,428
Mutual Funds	-	-
Hedge funds	45,300,989	41,256,677
Private equities	1,772,427	389,562
Marketable equities	63,223,755	53,134,831
Total other investments	130,950,162	138,433,638
Total investments at fair value	$ 155,646,694	$ 161,136,434

The Hospital's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the valuation hierarchy:

	2013			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment investments				
Cash and cash equivalents	$ 201,482	$ -	$ -	$ 201,482
Bonds	1,582,076	599,579	211,495	2,393,150
Mutual funds	8,529,184	-	1,447,939	9,977,123
Hedge funds	-	-	4,734,703	4,734,703
Private equities	-	-	90,111	90,111
Marketable equities	526,385	-	-	526,385
Total pooled endowment funds	10,839,127	599,579	5,484,248	17,922,954
Funds Held in trust by others				
Investments held in trust by others	-	-	6,773,578	6,773,578
Total held in trust by others	-	-	6,773,578	6,773,578
Other investments				
Cash and cash equivalents	1,039,729	-	-	1,039,729
Bonds	13,777,897	5,835,365	-	19,613,262
Mutual funds	-	-	-	-
Hedge funds	-	-	45,300,989	45,300,989
Private equities	-	-	1,772,427	1,772,427
Marketable equities	63,223,755	-	-	63,223,755
Total other investments	78,041,381	5,835,365	47,073,416	130,950,162
	$ 88,980,508	$ 6,434,944	$ 60,331,242	$ 155,646,694

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
Endowment investments				
Cash and cash equivalents	$ 311,567	$ -	$ -	$ 311,567
Bonds	2,818,539	-	342,034	3,160,573
Mutual funds	7,351,719	-	786,152	8,137,871
Hedge funds	-	-	4,181,923	4,181,923
Private equities	-	-	39,230	39,230
Marketable equities	420,212	-	-	420,212
Total pooled endowment funds	10,902,037	-	5,349,339	16,251,376
Funds held in trust by others				
Investments held in trust by others	-	-	6,451,420	6,451,420
Total held in trust by others	-	-	6,451,420	6,451,420
Other investments				
Cash and cash equivalents	1,195,140	-	-	1,195,140
Bonds	42,457,428	-	-	42,457,428
Mutual funds	-	-	-	-
Hedge funds	-	-	41,256,677	41,256,677
Private equities	-	-	389,562	389,562
Marketable equities	53,134,831	-	-	53,134,831
Total other investments	96,787,399	-	41,646,239	138,433,638
	$ 107,689,436	$ -	$ 53,446,998	$ 161,136,434

Fair value for Level 1 is based upon quoted prices in active markets that the Hospital has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Hospital does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Hospital's ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Hospital within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2012	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2013
Investment pool								
Hedge funds	$ 46,566,786	$ 299,208	$ 1,025,998	$ 4,503,429	$ (111,018)	$ 1,037,784	$ (1,627,051)	$ 51,695,126
Private equities	428,792		83,276	100,252	(56,809)	1,339,123	(12,008)	1,962,536
Funds held in trust	6,451,420			322,158				6,773,578
Total	$ 53,446,998	$ 299,208	$ 1,089,278	$ 4,925,839	$ (167,917)	$ 2,376,907	$ (1,639,059)	$ 60,331,242

	Beginning October 1, 2011	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2012
Investment pool								
Hedge funds	$ 43,690,711	$ 315,117	$ 1,734,944	$ 1,366,073	$ (93,084)	$ 10,791,484	$ (11,238,459)	$ 46,566,786
Private equities	94,308	-	-	-	-	334,484	-	428,792
Funds held in trust	5,807,932	-	-	643,488	-	-	-	6,451,420
Total	$ 49,592,948	$ 315,117	$ 1,734,944	$ 2,209,561	$ (93,084)	$ 11,125,968	$ (11,238,459)	$ 53,446,998

There were no transfers amongst levels during 2013 or 2012.

A summary of the pooled endowment investment return is presented below:

	2013	2012
Investment income	$ 289,540	$ 268,586
Realized and unrealized gains	1,663,438	1,877,871
Management fees and other costs	(41,701)	(27,226)
Total return on endowment investments	$ 1,911,277	$ 2,119,231

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2013.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 12,442,197	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	15,883,830	7	N/A		No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Diversified hedge	Long/short and long-biased equity and credit hedge funds	19,119,906	1	N/A		No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	4,479,501	1	N/A		No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	1,547,434	2	N/A		Illiquid long term 5 years	None	None	None
		$ 53,842,560							

4. Endowments

The Hospital's endowment consists of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Hospital understands net asset classification guidance requires that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Hospital classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Hospital considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Hospital and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Hospital.
- The investment policies of the Hospital.

Changes in endowment net assets for year ended September 30:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ -	$ 13,633,436	$ 2,839,683	$ 16,473,119
Investment return				
Investment income		137,152		137,152
Net realized and unrealized gains		1,663,438		1,663,438
Total investment return	-	1,800,590	-	1,800,590
Income distribution		(129,592)		(129,592)
Endowment net assets at end of year	$ -	$ 15,304,434	$ 2,839,683	$ 18,144,117

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ -	$ 11,798,979	$ 2,839,683	$ 14,638,662
Investment return				
Investment income	-	91,840	-	91,840
Net realized and unrealized gains	-	1,877,872	-	1,877,872
Total investment return	-	1,969,712	-	1,969,712
Income distribution	-	(125,255)	-	(125,255)
Endowment net assets at end of year	$ -	$ 13,633,436	$ 2,839,683	$ 16,473,119

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2013	2012
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 15,304,434	$ 13,633,436
Total endowment funds classified as temporarily restricted net assets	$ 15,304,434	$ 13,633,436
Permanently restricted net assets		
Corpus of permanently restricted contributions for purchase of equipment and healthcare services	$ 2,839,683	$ 2,839,683
Total endowment funds classified as permanently restricted net assets	$ 2,839,683	$ 2,839,683

Endowment Funds With Deficits

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets.

Endowment Investment Return Objectives and Risk Parameters
The Hospital has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Hospital targets a diversified asset allocation to achieve its long-term objectives within prudent Hospital risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment and operating funds.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2013	2012
Funds held in trust by others	$ 3,687,812	$ 3,448,102
Contributions receivable	20,366	20,366
Free beds and plant replacement and expansion	15,304,434	13,633,436
Specific purpose reserves	3,185,636	2,990,335
	$ 22,198,248	$ 20,092,239

Permanently restricted net assets at September 30 are restricted to:

	2013	2012
Funds held in trust by others	$ 3,107,571	$ 3,025,124
Donor restricted endowment funds	2,839,683	2,839,683
	$ 5,947,254	$ 5,864,807

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2013	2012
Land and land improvements	$ 7,343,577	$ 6,573,393
Buildings	120,101,634	114,978,768
Equipment	234,099,872	215,747,098
	361,545,083	337,299,259
Less: Accumulated depreciation	(245,331,839)	(224,709,996)
	116,213,244	112,589,263
Construction in progress (estimated cost to complete at September 30, 2013 is $17,612,963 unaudited)	45,776,965	22,337,285
	$ 161,990,209	$ 134,926,548

7. Long-Term Debt

	2013	2012
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2014 to 2026	$ 33,625,000	$ 36,250,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	22,990,000	22,990,000
Tax exempt Lease	11,596,368	-
Capital lease obligation	250,586	448,826
Total debt outstanding	88,266,954	79,493,826
Less: Amounts classified as current	4,487,234	2,762,007
Add: Bond premium	2,659,757	2,775,398
Total long-term portion of long-term debt	$ 86,439,477	$ 79,507,217

On September 15, 2011 the Connecticut Health and Education Facilities Authority ("CHEFA") issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st commencing July 1, 2012. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 which began on January 1, 2012.

On June 24, 2004 CHEFA issued $22,990,000 of Series E Bonds (the "Series E Bonds") on behalf of the Hospital and Lawrence + Memorial Corporation (collectively referred to as the "Obligated Group" under the Series E Bond agreement). The Series E Bonds are structured with a term bond due July 1, 2034, with annual sinking fund payments due each July 1st commencing July 1, 2023.

Interest on the Series E Bonds accrues at the weekly rate and is payable on the first business day of each month commencing July 1, 2004.

Under the terms of the trust indenture for the Series E Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts sufficient to enable the Authority to pay principal and interest on the Series E Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

The Series E Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. The Hospital maintains a letter of credit in the amount of $22,900,000 which expires on December 31, 2014. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are equal quarterly installments beginning in the first quarter that is at least 367 days after the initial draw down on the letter of credit. The Series E Bonds have been successfully remarketed in the past and there have been no draws on the letter of credit.

In accordance with the long-term loan agreement with CHEFA, certain trustee funds are required to be maintained. These funds provide for debt service and other related payments. The income derived from these funds is required to be reinvested in the trustee funds and is not available for current operating purposes.

The fair value of the Series E Bonds, using discounted cash flow analyses, approximates carrying value at September 30, 2013 and 2012. The fair value of the Series F Bonds using discounted cash flows was $55,830,117.25 and $62,036,108.50 for years ending September 30, 2013 and September 30, 2012, respectively.

The tax exempt lease (the "Easy Loan") was obtained on June 27, 2013 in the principal amount of $12,000,000. This is a seven year equipment lease on specific capital purchases that is administered through CHEFA and Bank of America-Merrill Lynch. This loan will be amortized monthly through June 27, 2020 at a nominal annual interest rate of 1.759%.

On October 10, 2013 Series G was issued in a private placement offering with Bank of America-Merrill Lynch and CHEFA in the amount of $30,000,000 with an interest of 3.20% until October 1, 2023 with an option to extend at a negotiated rate with a maturity date of July 1, 2038. On November 5, 2013, Series H was issued by CHEFA to refinance Series E. Series H was issued in the amount of $21,405,000 with a variable rate and a maturity date of July 1, 2034. This bond has a letter of credit guaranteed by T.D. Bank.

Principal repayments on the CHEFA bonds are as follows:

Years	Annual Principal Repayment
2014	$ 2,725,000
2015	2,835,000
2016	2,975,000
2017	3,130,000
2018 and thereafter	64,755,000
	$ 76,420,000

The Hospital made cash interest payments of $2,682,472 and $2,118,293 in fiscal year 2013 and 2012, respectively. No interest was capitalized during 2013 or 2012.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the plan. The plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pension as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Plans' funded status and amounts recognized in the consolidated balance sheet at September 30, 2013 and 2012 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2013	2012	2013	2012
Change in benefit obligation				
Benefit obligation at beginning of year	$ 147,201,452	$ 128,863,537	$ 1,289,208	$ 1,167,001
Service cost	1,536,115	1,555,388	-	-
Interest cost	5,685,930	6,610,881	31,620	59,302
Employee contributions	90,611	118,336	-	-
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Actuarial (gain)/loss	(2,133,477)	18,467,849	(212,291)	186,929
Benefit obligation at end of year	145,789,789	147,201,452	1,000,744	1,289,208
Change in plan assets				
Fair value of plan assets at beginning of year	98,298,309	85,487,585	-	-
Actual return on plan assets	7,662,270	11,886,927	-	-
Employee contributions	90,611	118,336	-	-
Employer contributions	6,400,000	7,020,000	107,793	124,024
Benefits paid	(6,590,842)	(6,214,539)	(107,793)	(124,024)
Fair value of plan assets at end of year	105,860,348	98,298,309	-	-
Funded status of the plan	(39,929,441)	(48,903,143)	(1,000,744)	(1,289,208)
Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	37,006,625	42,795,831	(456,751)	(289,506)
Unrecognized prior service cost	190,310	330,949	-	-
Accrued benefit costs recognized in the consolidated balance sheet	$ (2,732,506)	$ (5,776,363)	$ (1,457,495)	$ (1,578,714)
Components of net periodic benefit costs				
Service cost	$ 1,536,115	$ 1,555,388	$ -	$ -
Interest cost	5,685,930	6,610,881	31,620	59,302
Expected return on plan assets	(7,182,524)	(6,465,227)	-	-
Amortization of net loss/(gain)	3,175,983	2,154,266	(45,046)	(49,599)
Net amortization and deferral	140,639	140,639	-	-
Benefit cost	$ 3,356,143	$ 3,995,947	$ (13,426)	$ 9,703

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2013	2012
Discount rate	3.95 %	5.34 %
Average rate of compensation increases	2.50 %	3.50 %
Expected return on assets	7.50 %	7.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2013	2012
Discount rate	4.51 %	3.95 %
Average rate of compensation increases	2.50 %	2.50 %

The Plan's asset allocations as of September 30 are as follows:

Asset Category	2013	2012
Cash	3 %	5 %
Bonds	23	29
Hedge funds	30	29
Marketable equities	44	37
Total	100 %	100 %

The expected rate of return on assets is calculated based on past experience.

Expected benefits to be paid under the plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2013	$ 6,998,164
2014	7,263,769
2015	7,511,189
2016	7,928,299
2017	8,074,614
Expected aggregate for 5 fiscal years beginning 2018	44,653,466

Annual contributions are determined by the Hospital based upon calculations prepared by the plan's actuary. Expected contributions to the plans for 2014 are approximately (unaudited):

Pension	$ 6,400,000
Retiree health	108,195

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2013 reducing to 5.0% by the year 2021 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated post-retirement benefit obligation and service cost plus interest cost by approximately $71,000 and $97,000, respectively, at September 30, 2013 and 2012. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $65,000 and $88,000, respectively, at September 30, 2013 and 2012.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the pension plan at September 30, 2013:

	Level 1	Level 2	Level 3	2013
Investments, at fair value				
Cash	$ 3,043,961	$ -	$ -	$ 3,043,961
Bonds	24,488,654	-	-	24,488,654
Hedge funds	-	-	31,893,958	31,893,958
Marketable equities	41,880,187	4,553,588	-	46,433,775
Total investments, at fair value	$ 69,412,802	$ 4,553,588	$ 31,893,958	$ 105,860,348

The following table summarizes the fair values of investments by major type held by the staff pension plan at September 30, 2012:

	Level 1	Level 2	Level 3	2012
Investments, at fair value				
Cash	$ 4,711,241	$ -	$ -	$ 4,711,241
Bonds	28,278,732	-	-	28,278,732
Hedge funds	-	-	28,795,536	28,795,536
Marketable equities	32,342,939	4,169,861	-	36,512,800
Total investments, at fair value	$ 65,332,912	$ 4,169,861	$ 28,795,536	$ 98,298,309

There were no transfers between levels during 2013 or 2012.

The table below represents the change in fair value measurements for Level 3 investments held by the plan for the years ended September 30:

	2013	2012
Beginning balances	$ 28,795,536	$ 26,524,387
Realized gains	33,459	144,819
Fees	(65,081)	(54,861)
Unrealized gains	3,130,044	2,181,191
Purchases	-	5,475,369
Sales	-	(5,475,369)
Ending balances	$ 31,893,958	$ 28,795,536

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elect to participate. Eligible employees may contribute a percentage of their salary. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Contributions charged to operations were approximately $4,047,828 and $3,911,714 for 2013 and 2012, respectively.

9. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2013	2012
Health care services	$ 237,473,487	$ 237,543,779
General and administrative	81,280,293	78,382,764
	$ 318,753,780	$ 315,926,543

10. Contingencies

The Hospital is a party to various lawsuits incidental to its business. Management believes that the lawsuits will not have a material adverse effect on the Hospital's financial position, results of operations, changes in net assets or cash flows.

Lawrence + Memorial Hospital
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 301,175	$ 117,793	$ -	$ 418,968
Investments	130,950,162	-	-	130,950,162
Patient accounts receivable, net	33,778,305	125,603	-	33,903,908
Other receivables	17,632,561	38,892	-	17,671,453
Inventories	5,845,470	-	-	5,845,470
Due from affiliates	1,434,568	-	(117,793)	1,316,775
Prepaid expenses and other current assets	2,256,097	-	-	2,256,097
Debt service fund	1,306,255	-	-	1,306,255
Total current assets	193,504,593	282,288	(117,793)	193,669,088
Assets limited as to use				
Cash	182,366	-	-	182,366
Construction funds	9,541,685	-	-	9,541,685
Investments held in trust	985,034	-	-	985,034
Endowment investments	17,922,954	-	-	17,922,954
Funds held in trust by others	6,773,578	-	-	6,773,578
Contributions receivable	20,366	-	-	20,366
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,255	-	-	2,247,255
Total assets limited as to use	37,673,238	-	-	37,673,238
Other assets				
Deferred financing costs	1,776,176	-	-	1,776,176
Property, plant and equipment	161,990,209	-	-	161,990,209
Total assets	$ 394,944,216	$ 282,288	$ (117,793)	$ 395,108,711

DOHP1632

Lawrence + Memorial Hospital
Consolidating Balance Sheet
September 30, 2013

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Liabilities				
Current liabilities				
Accounts payable	$ 24,077,640	$ 2,047	$ -	$ 24,079,687
Accrued vacation and sick pay	10,888,727	634,545	-	11,523,272
Salaries, wages, payroll taxes and amounts withheld from employees	4,108,644	386,813	-	4,495,457
Due to affiliates	1,867,732	117,793	(117,793)	1,867,732
Due to third party payors	3,826,094	-	-	3,826,094
Current portion of long-term debt	4,487,234	-	-	4,487,234
Total current liabilities	49,256,071	1,141,198	(117,793)	50,279,476
Accrued pension and other postretirement benefits	42,309,345	-	-	42,309,345
Other liabilities	17,774,823	-	-	17,774,823
Long-term debt, less current portion	86,439,477	-	-	86,439,477
Total liabilities	195,779,716	1,141,198	(117,793)	196,803,121
Net assets				
Unrestricted	171,018,998	(858,910)	-	170,160,088
Temporarily restricted	22,198,248	-	-	22,198,248
Permanently restricted	5,947,254	-	-	5,947,254
Total net assets	199,164,500	(858,910)	-	198,305,590
	$ 394,944,216	$ 282,288	$ (117,793)	$ 395,108,711

DOHP1633

Lawrence + Memorial Hospital
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 13,568,654	$ 140,845	$ -	$ 13,709,499
Investments	138,433,638	-	-	138,433,638
Patient accounts receivable, net	28,719,548	227,045	-	28,946,593
Other receivables	17,392,589	96,141	-	17,488,730
Inventories	4,469,470	-	-	4,469,470
Due from affiliates	808,442	-	(168,643)	639,799
Prepaid expenses and other current assets	2,004,576	-	-	2,004,576
Debt service fund	1,307,110	-	-	1,307,110
Total current assets	206,704,027	464,031	(168,643)	206,999,415
Assets limited as to use				
Cash	180,789	-	-	180,789
Investments held in trust	971,261	-	-	971,261
Endowment investments	16,251,376	-	-	16,251,376
Funds held in trust by others	6,451,420	-	-	6,451,420
Contributions receivable	20,366	-	-	20,366
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	-	-	2,247,125
Total assets limited as to use	26,122,337	-	-	26,122,337
Other assets				
Deferred financing costs	1,857,504	-	-	1,857,504
Property, plant and equipment	134,926,548	-	-	134,926,548
Total assets	$ 369,610,416	$ 464,031	$ (168,643)	$ 369,905,804

DOHP1634

Lawrence + Memorial Hospital
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Liabilities				
Current liabilities				
Accounts payable	$ 25,447,380	$ -	$ -	$ 25,447,380
Accrued vacation and sick pay	11,282,391	1,001,539	-	12,283,930
Salaries, wages, payroll taxes and amounts withheld from employees	3,600,791	287,097	-	3,887,888
Due to affiliates	2,421,244	168,643	(168,643)	2,421,244
Due to third party payors	5,409,556	-	-	5,409,556
Current portion of long-term debt	2,762,007	-	-	2,762,007
Total current liabilities	50,923,369	1,457,279	(168,643)	52,212,005
Accrued pension and other postretirement benefits	51,185,800	-	-	51,185,800
Other liabilities	17,998,408	-	-	17,998,408
Long-term debt, less current portion	79,507,217	-	-	79,507,217
Total liabilities	199,614,794	1,457,279	(168,643)	200,903,430
Net assets				
Unrestricted	144,038,576	(993,248)	-	143,045,328
Temporarily restricted	20,092,239	-	-	20,092,239
Permanently restricted	5,864,807	-	-	5,864,807
Total net assets	169,995,622	(993,248)	-	169,002,374
	$ 369,610,416	$ 464,031	$ (168,643)	$ 369,905,804

DOHP1635

Lawrence + Memorial Hospital
Consolidating Statement of Operations
September 30, 2013

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Net revenues	$ 310,967,942	$ 4,416,164	$ -	$ 315,384,106
Provision for bad debt	(12,037,777)	(89,969)	-	(12,127,746)
Net revenue less provision for bad debt	298,930,165	4,326,195	-	303,256,360
Other operating revenues	22,653,789	463,654	(3,524,633)	19,592,810
Net assets released from restriction	508,227	-	-	508,227
	322,092,181	4,789,849	(3,524,633)	323,357,397
Operating expenses				
Salaries and wages	144,544,364	5,408,975	(127,493)	149,825,846
Employee benefits	43,319,912	983,325	(767,809)	43,535,428
Supplies	45,122,992	48,417	-	45,171,409
Purchased services	22,707,507	2,773,480	(1,858,849)	23,622,138
Other	32,978,276	1,044,981	(770,482)	33,252,775
Interest	2,705,025	-	-	2,705,025
Depreciation and amortization	20,641,159	-	-	20,641,159
	312,019,235	10,259,178	(3,524,633)	318,753,780
Income from operations	10,072,946	(5,469,329)	-	4,603,617
Nonoperating gains and losses				
Unrestricted income	122,109	-	-	122,109
Income/(loss) from investments	6,041,461	-	-	6,041,461
	6,163,570	-	-	6,163,570
Excess of revenues over expenses	16,236,516	(5,469,329)	-	10,767,187
Transfers from affiliate	(4,467,122)	5,603,667	-	1,136,545
Net unrealized gains on investments	9,113,432	-	-	9,113,432
Net assets released from restriction used for purchase of property, plant and equipment	167,751	-	-	167,751
Pension related changes other than periodic pension costs	5,929,845	-	-	5,929,845
Increase/(decrease) in unrestricted net assets	$ 26,980,422	$ 134,338	$ -	$ 27,114,760

DOHP1636

Lawrence + Memorial Hospital
Consolidating Statement of Operations
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Net revenues	$ 323,643,197	$ 5,635,182	$ -	$ 329,278,379
Provision for bad debt	(11,930,619)	(183,700)	-	(12,114,319)
Net revenue less provision for bad debt	311,712,578	5,451,482	-	317,164,060
Other operating revenues	15,433,709	463,708	(4,619,500)	11,277,917
Net assets released from restriction	449,575	-	-	449,575
	327,595,862	5,915,190	(4,619,500)	328,891,552
Operating expenses				
Salaries and wages	145,714,028	7,343,347	(144,638)	152,912,737
Employee benefits	41,915,487	1,443,717	(1,236,367)	42,122,837
Supplies	46,209,962	38,536	-	46,248,498
Purchased services	23,582,645	3,652,113	(2,611,015)	24,623,743
Other	27,700,394	1,804,233	(627,480)	28,877,147
Interest	2,315,992	-	-	2,315,992
Depreciation and amortization	18,825,589	-	-	18,825,589
	306,264,097	14,281,946	(4,619,500)	315,926,543
Income from operations	21,331,765	(8,366,756)	-	12,965,009
Nonoperating gains and losses				
Unrestricted income	160,370	-	-	160,370
Income from investments	4,424,194	-	-	4,424,194
	4,584,564	-	-	4,584,564
Excess of revenues over expenses	25,916,329	(8,366,756)	-	17,549,573
Transfer to affiliate	(25,044,177)	8,112,643	-	(16,931,534)
Net unrealized gains on investments	11,303,455	-	-	11,303,455
Net assets released from restriction used for purchase of property, plant and equipment	136,178	-	-	136,178
Pension related changes other than periodic pension costs	(10,751,244)	-	-	(10,751,244)
Increase/(decrease) in unrestricted net assets	$ 1,560,541	$ (254,113)	$ -	$ 1,306,428

DOHP1637

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10/01, 2011, and ending 09/30, 20 12

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: LAWRENCE & MEMORIAL HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 365 MONTAUK AVENUE — Room/suite:

City or town, state or country, and ZIP + 4: NEW LONDON, CT 06320

D Employer identification number: 06-0646704

E Telephone number: (860) 442-0711

G Gross receipts $: 350,891,428.

F Name and address of principal officer: BRUCE CUMMINGS
365 MONTAUK AVENUE NEW LONDON, CT 06320

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.LMHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 1912 **M** State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO IMPROVE THE HEALTH OF THE REGION.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	18.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11.
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,727.
6	Total number of volunteers (estimate if necessary)	6	314.
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,439,310.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-867,514.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	937,909.	810,082.
9	Program service revenue (Part VIII, line 2g)	331,763,213.	336,259,109.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,251,547.	5,333,151.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,980,952.	2,169,383.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	341,933,621.	344,571,725.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	182,672,132.	187,431,350.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	199,040.	77,139.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,200,476.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	131,486,920.	130,687,909.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	314,358,092.	318,196,398.
19	Revenue less expenses. Subtract line 18 from line 12	27,575,529.	26,375,327.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	353,189,046.	368,182,035.
21	Total liabilities (Part X, line 26)	187,408,373.	198,186,413.
22	Net assets or fund balances. Subtract line 21 from line 20	165,780,673.	169,995,622.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: GWEN SPENCER	Preparer's signature	Date: 8-13-13	Check ☐ if self-employed — PTIN: P00641463
Firm's name ▶ PRICEWATERHOUSECOOPERS LLP			Firm's EIN ▶ 13-4008324
Firm's address ▶ 125 HIGH STREET BOSTON, MA 02110			Phone no. 617-530-5000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2011)

JSA
1E1010 1.000
33042N 7377

DOHP1638

JT 67 201209 670 0641 K 29404-131-60159-3 A0131328 211A
201323 007705 06320 IRS USE ONLY 060646704 TE 3

Department of the Treasury
Internal Revenue Service
Ogden UT 84201

For assistance, call:
1-877-829-5500
FAX 801-620-5670

Notice Number: CP211A
Date: June 24, 2013

Taxpayer Identification Number:
06-0646704
Tax Form: 990
Tax Period: September 30, 2012

021503.196930.0083.002 1 AB 0.384 373

LAWRENCE AND MEMORIAL HOSPITAL INC
365 MONTAUK AVE
NEW LONDON CT 06320-4700

021503

APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **August 15, 2013.**

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at www.irs.gov/eo. This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions. Employer identification number (EIN) or
	LAWRENCE & MEMORIAL HOSPITAL	[X] 06-0646704
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	365 MONTAUK AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ LUGENE INZANA,
  Telephone No. ▶ 860 442-0711 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 08/15, 20 13.

5 For calendar year _____, or other tax year beginning 10/01, 20 11, and ending 09/30, 20 12.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE AND COMPLETE AN ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ CPA Date ▶ 4/30/13

Form **8868**
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.	Enter filer's identifying number, see instructions Employer identification number (EIN) or
	LAWRENCE & MEMORIAL HOSPITAL	[X] 06-0646704
	Number, street, and room or suite no. If a P.O. box, see instructions. 365 MONTAUK AVENUE	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW LONDON, CT 06320	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ LUGENE INZANA

Telephone No. ▶ 860 442-0711 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 05/15, 20 13, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year 20 ____ or
▶ [X] tax year beginning 10/01, 2011, and ending 09/30, 20 12.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III X

1 Briefly describe the organization's mission:
TO IMPROVE THE HEALTH OF THE REGION.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 237,334,956. including grants of $) (Revenue $ 336,231,688.)
SEE SCHEDULE O

4b (Code:) (Expenses $ 941,021. including grants of $) (Revenue $ 27,421.)
EDUCATIONAL PROGRAMS

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 238,275,977.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	286		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return .	2a	2,727		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)		2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	X	
b	If "Yes," enter the name of the foreign country: ▶ NETHERLANDS See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . .		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? . . .		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ EUGENE INZANA, 365 MONTAUK AVENUE, NEW LONDON, CT 06320 860-442-0711

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 1										
(1) JAY E. ALLEN, DMD DIRECTOR	2.00	X						0	0	0
(2) ULYSSES B. HAMMOND CHAIRMAN	2.00	X		X				0	0	0
(3) R. ALAN HUNTER DIRECTOR	2.00	X						0	0	0
(4) ROBERT KELTNER, MD DIRECTOR	2.00	X						89,908.	0	0
(5) MARILYNN MALEREA SECRETARY	2.00	X		X				0	0	0
(6) GRANVILLE MORRIS VICE CHAIRMAN	2.00	X		X				0	0	0
(7) LEON J. OLIVIER DIRECTOR	2.00	X						0	0	0
(8) TONI HOOVER, PH.D. DIRECTOR	2.00	X						0	0	0
(9) FRED A. CONTI, CPA TREASURER	2.00	X		X				0	0	0
(10) KATHLEEN STEAMER, CPA DIRECTOR	2.00	X						0	0	0
(11) CAROL O. RIDGEWAY DIRECTOR	2.00	X						0	0	0
(12) SCOTT D. BATES DIRECTOR	2.00	X						0	0	0
(13) MARY ELLEN JUKOSKI, EDD DIRECTOR	2.00	X						0	0	0
(14) BRUCE D. CUMMINGS PRESIDENT / CEO	33.25	X		X				630,226.	0	87,791.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) HENRY AMDUR, MD PAST PRESIDENT, MEDICAL STAFF	2.00	X		X				193,562.	47,079.	0
(16) DONALD J. FELITTO, MD PRESIDENT, MEDICAL STAFF	2.00	X		X				19,575.	0	0
(17) DAVID F. REISFELD, MD VP, MED STAFF (AS OF 12/14/11)	2.00	X		X				4,050.	290,822.	30,958.
(18) B. MICHAEL RAUH, JR. DIRECTOR (AS OF 12/14/11)	2.00	X						0	0	0
(19) LUGENE INZANA VP CHIEF FINANCIAL OFFICER	34.00			X				361,583.	0	35,986.
(20) ATTORNEY MAUREEN ANDERSON ASSISTANT SECRETARY	36.00			X				266,829.	0	31,820.
(21) WILLIAM STANLEY VP DEV & COMMUNITY RELATIONS	40.00				X			209,182.	0	30,698.
(22) DANIEL RISSI VP CHIEF MEDICAL OFFICER	36.00				X			409,841.	0	25,540.
(23) KIMBERLY KALAJAINEN VP CHIEF INFORMATION OFFICER	38.00				X			229,479.	0	36,730.
(24) CRISTA DURAND VP STRATEGIC PLANNING/MKTG	40.00				X			286,429.	0	31,820.
(25) LAUREN WILLIAMS VP PATIENT CARE SERVICES	40.00				X			261,971.	0	17,672.
1b Sub-total ▶								720,134.	0	87,791.
c Total from continuation sheets to Part VII, Section A ▶								4,216,786.	337,901.	396,868.
d Total (add lines 1b and 1c) ▶								4,936,920.	337,901.	484,659.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 161

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 23

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) PAMELA KANE VP PHYSICIANS PRACTICE	0				X			215,581.	0	30,872.
(27) MICHAEL ALPER MEDICAL DIRECTOR/PHYSICIAN	40.00					X		177,648.	0	23,983.
(28) RICHARD PAPATONIO EMERGENCY ROOM PHYSICIAN	40.00					X		172,508.	0	6,900.
(29) GARTH BALLANTYNE CHAIRMAN DEPT OF SURGERY	40.00					X		809,573.	0	15,740.
(30) GERALDINE RUFFA MEDICAL DIRECTOR, PHYSICIAN	40.00					X		228,249.	0	30,256.
(31) SHARON BROWN GENERAL STAFF NURSE-ED	40.00					X		169,624.	0	15,480.
(32) PETER FRASER FORMER VP CHIEF HR OFFICER	40.00						X	201,102.	0	32,413.
1b Sub-total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶										

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 161

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	648,416.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	161,666.			
	g	Noncash contributions included in lines 1a-1f: $					
	h	Total. Add lines 1a-1f		810,082.			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICES	900099	323,643,197.	323,643,197.		
	b	LAB TESTING - CRR	900099	2,274,122.		2,274,122.	
	c	EMPLOYEE ASSISTANCE PROGRAM	900099	165,188.		165,188.	
	d	PARAMEDIC SERVICES	900099	2,431,896.	2,431,896.		
	e	OTHER PROGRAM SERVICE REVENUE	900099	7,744,706.	7,744,706.		
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		336,259,109.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		4,941,664.			4,941,664.
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	1,092,885.				
	b	Less: rental expenses					
	c	Rental income or (loss)	1,092,885.				
	d	Net rental income or (loss)		1,092,885.			1,092,885.
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	6,698,380. / 12,810.				
	b	Less: cost or other basis and sales expenses	6,308,574. / 11,129.				
	c	Gain or (loss)	389,806. / 1,681.				
	d	Net gain or (loss)		391,487.			391,487.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	DINING ROOM	900099	1,076,498.			1,076,498.
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d		1,076,498.			
	12	Total revenue. See instructions		344,571,725.	333,819,799.	2,439,310.	7,502,534.

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,628,517.		3,360,763.	267,754.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	142,085,512.	111,108,670.	30,732,919.	243,923.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	3,995,946.	3,052,566.	936,679.	6,701.
9 Other employee benefits	27,377,617.	20,914,187.	6,417,516.	45,914.
10 Payroll taxes	10,343,758.	7,901,758.	2,424,653.	17,347.
11 Fees for services (non-employees):				
a Management	0			
b Legal	0			
c Accounting	1,226,133.	4,132.	1,222,001.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	77,139.			77,139.
f Investment management fees	0			
g Other	4,357,773.	3,906,718.	451,055.	
12 Advertising and promotion	0			
13 Office expenses	6,387,388.	4,635,865.	1,697,156.	54,367.
14 Information technology	3,324,351.	667,938.	3,148,609.	7,804.
15 Royalties	0			
16 Occupancy	3,795,807.	153,741.	3,642,066.	
17 Travel	645,453.	233,164.	410,438.	1,851.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	2,315,992.	2,315,992.		
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	18,825,589.	11,350,927.	7,474,267.	395.
23 Insurance	5,011,190.	5,011,190.		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PURCHASED SVCS	20,945,003.	9,493,571.	11,428,452.	22,980.
b MEDICAL & SURGICAL	39,550,779.	39,260,642.	285,480.	4,657.
c EQUIP RENTAL & MAINTENANCE	8,046,553.	5,551,428.	2,495,125.	
d BAD DEBTS	11,930,619.	11,930,619.		
e All other expenses	3,825,279.	782,869.	2,592,766.	449,644.
25 Total functional expenses. Add lines 1 through 24e	318,196,398.	238,275,977.	78,719,945.	1,200,476.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		40,113,126.	2	13,749,443.
	3	Pledges and grants receivable, net		20,328.	3	20,366.
	4	Accounts receivable, net		28,744,360.	4	27,406,867.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0
	7	Notes and loans receivable, net		574,684.	7	639,609.
	8	Inventories for sale or use		4,528,017.	8	4,469,470.
	9	Prepaid expenses and deferred charges		1,739,804.	9	2,004,576.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 359,636,544.			
	b	Less: accumulated depreciation	10b 224,709,996.	120,976,861.	10c	134,926,548.
	11	Investments - publicly traded securities		131,544,880.	11	155,656,275.
	12	Investments - other securities. See Part IV, line 11		5,607,933.	12	6,451,420.
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		19,339,053.	15	22,857,461.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		353,189,046.	16	368,182,035.
Liabilities	17	Accounts payable and accrued expenses		34,792,940.	17	38,902,181.
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		82,335,373.	20	79,493,826.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		70,280,060.	25	79,790,406.
	26	**Total liabilities.** Add lines 17 through 25		187,408,373.	26	198,186,413.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		142,478,037.	27	144,038,576.
	28	Temporarily restricted net assets		17,792,779.	28	20,092,239.
	29	Permanently restricted net assets		5,509,857.	29	5,864,807.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		165,780,673.	33	169,995,622.
	34	Total liabilities and net assets/fund balances		353,189,046.	34	368,182,035.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	344,571,725.
2	Total expenses (must equal Part IX, column (A), line 25)	2	318,196,398.
3	Revenue less expenses. Subtract line 2 from line 1	3	26,375,327.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	165,780,673.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-22,160,378.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	169,995,622.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
LAWRENCE & MEMORIAL HOSPITAL	06-0646704

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2011

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HEALTHY START STATE GRANTS 34 EAST TOWN STREET NORWICH, CT 06360	$ 50,847.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	AIDS PROGRAM STATE GRANT STATE OF CONNECTICUT HARTFORD, CT 06103	$ 105,705.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	HIGH RISK INFANTS STATE GRANTS 505 HUDSON STREET HARTFORD, CT 06106	$ 69,945.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	CT BREAST & CERVICAL CANCER STATE GRANTS 410 CAPITAL AVENUE, PO BOX 340308 HARTFORD, CT 06134	$ 92,398.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	NURTURING FAMILIES NETWORK STATE GRANTS 450 CAPITAL AVENUE HARTFORD, CT 06106	$ 236,362.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	MULTIDISC. INTERVENTION STATE GRANTS STATE OF CONNECTICUT HARTFORD, CT 06103	$ 64,563.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	BIO-TERRORISM G STATE GRANTS STATE OF CONNECTICUT HARTFORD, CT 01603	$ 19,732.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	RAY & PAULINE SULLIVAN FOUNDATION C/O BANK OF AMERICA, PO BOX 989040 BOSTON, MA 02298-9040	$ 41,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	MASHANTUCKET PEQUOT TRIBAL NATION 2 MATTS PATH MASHANTUCKET, CT 06338-3060	$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization LAWRENCE & MEMORIAL HOSPITAL | Employer identification number 06-0646704

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e)** and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
LAWRENCE & MEMORIAL HOSPITAL	06-0646704

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

JSA
1E1265 1.000

33042N 7377

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		32,394.
j Total. Add lines 1c through 1i			32,394.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, LINE 1

THE ORGANIZATION PAYS MEMBERSHIP DUES TO THE CONNECTICUT HOSPITAL ASSOCIATION WHICH LOBBIES ON BEHALF OF ITS MEMBER ORGANIZATIONS. THESE LOBBYING ACTIVITIES ARE DEFINED AS CHA STAFF COMMUNICATION WITH THE FEDERAL AND STATE GOVERNMENTS TO INFLUENCE LEGISLATION.

THE ORGANIZATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH MAY ENGAGE IN LOBBYING ACTIVITIES. THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	14,398,889.	14,741,092.	14,150,668.	14,857,509.	
b Contributions					
c Net investment earnings, gains, and losses	2,146,447.	17,500.	1,282,741.	-154,454.	
d Grants or scholarships					
e Other expenditures for facilities and programs	266,733.	324,466.	652,042.	539,291.	
f Administrative expenses	27,226.	35,237.	40,275.	13,096.	
g End of year balance	16,251,377.	14,398,889.	14,741,092.	14,150,668.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ 85.0000 %
b Permanent endowment ▶ 15.0000 %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		301,884.		301,884.
b Buildings		107,401,224.	66,162,575.	41,238,649.
c Leasehold improvements		7,577,544.	2,463,108.	5,114,436.
d Equipment		215,747,098.	151,645,498.	64,101,600.
e Other		28,608,794.	4,438,815.	24,169,979.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				134,926,548.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	16,637,280.
(2) DEBT SERVICE FUND	1,307,110.
(3) DEBT SERVICE RESERVE FUND	2,247,125.
(4) DEFERRED FINANCING COSTS	1,857,504.
(5) DUE FROM AFFILIATES	808,442.
(6) CONSTRUCTION FUND	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	22,857,461.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes ATTACHMENT 1	
(2) DUE TO THIRD PARTY AGENCIES	5,408,556.
(3) DEFERRED COMPENSATION	69,859.
(4) SELF ASSURANCE RESERVES	3,782,601.
(5) ACCRUED POST RETIREMENT BENEFI	1,291,157.
(6) ACCRUED PENSION	5,776,926.
(7) ACCRUED 401K MATCH	921,078.
(8) ACCRUED MIN PENSION LIABILITY	43,126,780.
(9) ASSET RETIREMENT OBLIGATION	465,853.
(10) DUE TO L&M CORPORATION	2,421,244.
(11) DEFERRED FINANCING COST	2,775,398.
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	79,790,406.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines 4a and 4b			4c	
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines 4a and 4b			4c	
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE D, PART V, LINE 4

THE ORGANIZATION'S ENDOWMENT FUNCTIONS TO SUPPORT AND PROVIDE INCOME FOR THE FURTHERANCE OF THE HEALTHCARE MISSION OF LAWRENCE & MEMORIAL HOSPITAL.

Part XIV Supplemental Information *(continued)*

ATTACHMENT 1

SCHEDULE D, PART X - OTHER LIABILITIES

DESCRIPTION	BOOK VALUE
MALPRACTICE INSURANCE	13,749,954.
TOTALS	79,790,406.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN			INVESTMENTS		35,563,356.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total					35,563,356.
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)					35,563,356.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

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Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☒ No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [X] Mail solicitations
b [X] Internet and email solicitations
c [X] Phone solicitations
d [X] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [X] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1 GHIORSI & SORRENTI INC.	CAPITAL CAMPAIGN		X		77,139.	
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶					77,139.	

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

CT,

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts				
	2 Less: Charitable contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				( )
	11 Net income summary. Combine line 3, column (d); and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility 13a %

b An outside facility 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE G, PART II

FUNDRAISING EXPENSES ARE REPORTED ON FORM 990, PART IX FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704) AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). ADDITIONAL CONTRIBUTIONS IN THE AMOUNT OF $2,850,055 ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250.0000 %	X	
3b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other _____ %	X	
3c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
6b	If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		1364	1,185,512.		1,185,512.	.39
b Medicaid (from Worksheet 3, column a)		25837	48,416,417.	37,579,254.	10,837,163.	3.54
c Costs of other means-tested government programs (from Worksheet 3, column b)			637,435.	411,640.	225,795.	.07
d Total Financial Assistance and Means-Tested Government Programs		27201	50,239,364.	37,990,894.	12,248,470.	4.00
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		34658	1,994,053.	27,421.	1,966,632.	.64
f Health professions education (from Worksheet 5)		864	966,488.		966,438.	.32
g Subsidized health services (from Worksheet 6)		3024	4,428,066.	2,431,896.	1,996,170.	.65
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		1828	123,601.	1,000.	122,601.	.04
		40374	7,512,208.	2,460,317.	5,051,841.	1.65
j Total. Other Benefits		67575	57,751,572.	40,451,211.	17,300,311.	5.65
k Total. Add lines 7d and 7j						

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			99,966.		99,966.	.03
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building		340	83,664.		83,664.	.03
7 Community health improvement advocacy						
8 Workforce development		18	429.		429.	
9 Other						
10 Total		358	184,059.		184,059.	.06

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense	2 11,930,619.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3 238,612.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 107,064,062.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 134,136,970.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -27,072,908.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other			

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures** (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 LAWRENCE & MEMORIAL HOSPITAL 365 MONTAUK AVENUE NEW LONDON CT 06320	X	X					X	X	
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

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Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: LAWRENCE & MEMORIAL HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	☐ A definition of the community served by the hospital facility		
b	☐ Demographics of the community		
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☐ How data was obtained		
e	☐ The health needs of the community		
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☐ The process for consulting with persons representing the community's interests		
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 __ __		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5	Did the hospital facility make its Needs Assessment widely available to the public?		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	☐ Hospital facility's website		
b	☐ Available upon request from the hospital facility		
c	☐ Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	☐ Execution of the implementation strategy		
c	☐ Participation in the development of a community-wide community benefit plan		
d	☐ Participation in the execution of a community-wide community benefit plan		
e	☐ Inclusion of a community benefit section in operational plans		
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	☐ Prioritization of health needs in its community		
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 2 5 0 %		
	If "No," explain in Part VI the criteria the hospital facility used.		

Part V Facility Information *(continued)* LAWRENCE & MEMORIAL HOSPITAL

		Yes	No
10	Used FPG to determine eligibility for providing *discounted* care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care: 251 % If "No," explain in Part VI the criteria the hospital facility used.	X	
11	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a	[X] Income level		
b	[X] Asset level		
c	[X] Medical indigency		
d	[ ] Insurance status		
e	[X] Uninsured discount		
f	[ ] Medicaid/Medicare		
g	[ ] State regulation		
h	[ ] Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	X	
13	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	[X] The policy was posted on the hospital facility's website		
b	[ ] The policy was attached to billing invoices		
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	[X] The policy was posted in the hospital facility's admissions offices		
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility		
f	[X] The policy was available on request		
g	[ ] Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	X	
15	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:	16		X
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):			
a	[ ] Notified patients of the financial assistance policy on admission			
b	[ ] Notified patients of the financial assistance policy prior to discharge			
c	[ ] Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	[ ] Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e	[ ] Other (describe in Part VI)			

Part V **Facility Information** *(continued)* LAWRENCE & MEMORIAL HOSPITAL

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility's policy was not in writing
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d ☒ Other (describe in Part VI)

20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Part VI.		X
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? . . . . . If "Yes," explain in Part VI.		X

Part V **Facility Information** *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART I, LINE 3C:

IT IS THE PHILOSOPHY AND POLICY OF LAWRENCE & MEMORIAL HOSPITAL ("L+M HOSPITAL") THAT MEDICALLY NECESSARY HEALTH CARE SERVICES SHOULD BE AVAILABLE TO ALL INDIVIDUALS REGARDLESS OF THEIR ABILITY TO PAY.

CHARITY CARE APPLIES TO ALL UNINSURED PATIENTS (DEFINED AS EARNING LESS THAN 250% OF THE POVERTY GUIDELINES) AS DESCRIBED IN § 19A-673 OF THE CONNECTICUT GENERAL STATUTES. L+M HOSPITAL WILL MEET OR EXCEED THE GUIDELINES SET-FORTH BY THE CONNECTICUT HOSPITAL ASSOCIATION ("CHA") ON THE STATEWIDE DISCOUNT POLICY FOR UNINSURED PATIENTS. CARE WILL BE PROVIDED FREE FOR THOSE UNINSURED PATIENTS WHO REQUEST ASSISTANCE AND VERIFY THEIR ANNUAL INCOME IS LESS THAN 250% OF THE FEDERAL INCOME POVERTY LEVEL ("FPL"). LIQUID ASSETS MUST NOT EXCEED $50,000 (STOCKS, BONDS, CASH, 401, IRA, CD ETC.) EXCLUDING PRIMARY RESIDENCE AND PRIMARY MOTOR VEHICLE). BUSINESS ASSETS, RENTAL PROPERTY, SECONDARY RESIDENCE, RECREATIONAL VEHICLES AND OTHER SUCH LUXURY ITEMS WILL BE APPLIED TO THE LIQUID ASSETS. CARE WILL BE DISCOUNTED ON A SLIDING SCALE FOR SELF-PAY PATIENTS WHO HAVE NO THIRD PARTY INSURANCE TO COVER SERVICES WITH AN

Part VI Supplemental Information

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1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 8a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

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5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ANNUAL INCOME THAT IS BETWEEN 250% AND 400% OF THE FPL AND HAVE ASSETS

LESS THAN $50,000, IN ACCORDANCE WITH THE FOLLOWING:

251% - 300% = COST OF CHARGE

301% - 350% = 40%

351% - 400% = 30%

SCHEDULE H, PART I, LINE 7:

THE AMOUNTS REPORTED ON PART I, LINE 7 WERE CALCULATED AS DIRECT, SEPARATELY IDENTIFIABLE COSTS INCURRED BY THE HOSPITAL PLUS AN ALLOCATION OF OVERHEAD.

SCHEDULE H, PART I, LINE 7, COLUMN F:

THE AMOUNT OF BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $11,930,619.

Part VI Supplemental Information

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SCHEDULE H, PART III, LINE 4:

L+M HOSPITAL USES A COST REPORTING SYSTEM TO DETERMINE THE BAD DEBT EXPENSE. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) REPORTED ON PART III, LINE 2 IS TAKEN DIRECTLY FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY IS CALCULATED AS 2% OF THE AMOUNT OF BAD DEBT (AT COST) FROM THE AUDITED FINANCIAL STATEMENTS. THE AMOUNT OF 2% REPRESENTS THE BAD DEBT AMOUNT THAT COULD HAVE BEEN QUALIFIED FOR CHARITY CARE AS THIS THE PERCENTAGE OF GROSS REVENUE THAT IS SELF PAID.

SCHEDULE H, PART III, LINE 8:

THE MEDICARE SHORTFALL OF ($27,072,908) REPORTED IN PART III, LINE 7 WAS CALCULATED BASED ON COST REPORTING. THIS AMOUNT SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE THE RATES PAID BY MEDICARE DO NOT ACCURATELY REFLECT THE COST OF CARE PROVIDED BY L+M HOSPITAL. ACCORDINGLY, L+M HOSPITAL MUST SUBSIDIZE THE COST OF CARE PROVIDED TO MEDICARE BENEFICIARIES WITH OTHER REVENUES.

Part VI Supplemental Information

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SCHEDULE H, PART III, LINE 9B:

IN ACCORDANCE WITH ITS WRITTEN CREDIT AND COLLECTION POLICY, L+M HOSPITAL WILL NOT PURSUE COLLECTION EFFORTS, DIRECTLY OR THROUGH COLLECTION AGENCIES, ON THE PORTION OF A PATIENT'S BILL FOR WHICH THAT PATIENT HAS ESTABLISHED ELIGIBILITY FOR CHARITY CARE.

SCHEDULE H, PART V, LINE 19D

SEE EXPLANATION PROVIDED IN SCHEDULE H, PART I, LINE 3C

SCHEDULE H, PART VI, LINE 2

NEEDS ASSESSMENT:

L+M HOSPITAL EMPLOYS A VARIETY OF STRATEGIES IN GAUGING THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES. THE MOST RECENT COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA), COVERING THE L+M HOSPITAL PRIMARY SERVICE AREA, WAS INITIATED IN 2012 AND HAS BEEN CONDUCTED UNDER THE GUIDANCE OF AN OUTSIDE EXPERT. WHEN COMPLETE, THE ASSESSMENT WILL UPDATE THE LAST COMPREHENSIVE CHNA TO FURTHER ANALYZE HEALTH STATUS AS IT RELATES TO IDENTIFIED HEALTH CARE AND PUBLIC HEALTH ISSUES IN NEW LONDON COUNTY. METHODS INCLUDE USING

Part VI Supplemental Information

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SCIENTIFICALLY VALID DATA, COMPARATIVE INFORMATION, AND INPUT FROM LOCAL RESIDENTS, PROVIDERS AND LEADERS. INDICATORS WERE COMPUTED FROM AN EXTENSIVE SET OF SECONDARY HEALTH-RELATED DATA.

L+M HOSPITAL REVIEWS DISEASE INCIDENCE AND PREVALENCE RATES FOR THE LOCAL COMMUNITY, STATE, AND NATION. RATES ARE COLLECTED FROM MEDICAL JOURNALS, THE CT DEPARTMENT OF HEALTH, OR NATIONAL HEALTH RESOURCES SUCH AS THE KAISER FAMILY FOUNDATION OR CDC. THIS ANALYSIS INFORMS L+M ON THE HEALTH STATUS OF THE COMMUNITY AND IS USED TO FOCUS PROGRAM AND SERVICE DEVELOPMENT ON AREAS OF GREATEST CONCERN.

INFORMATION ON COMMUNITY NEEDS IS ALSO GATHERED THROUGH PARTNERSHIPS WITH OTHER COMMUNITY ORGANIZATIONS SUCH AS THE UNITED WAY, THE LEDGE LIGHT HEALTH DISTRICT, AND OTHER LOCAL NON-PROFITS. PERIODIC REVIEW OF DATA AND UPDATING AS APPROPRIATE IS CONDUCTED. L+M HOSPITAL COMPLETES A PHYSICIAN MANPOWER STUDY REGULARLY. THIS STUDY, CONDUCTED BY AN OUTSIDE CONSULTANT, DOCUMENTS THE DEMAND FOR PHYSICIANS BY SPECIALTY BASED ON PHYSICIAN-TO-POPULATION RATIOS, THE SUPPLY OF PHYSICIANS IN THE

Part VI Supplemental Information

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COMMUNITY, AND THE RESULTANT GAPS BETWEEN DEMAND AND SUPPLY. THE ANALYSIS INFORMS L+M OF DEFICIENCIES IN PHYSICIAN SUPPLY AND HELPS FOCUS RECRUITMENT EFFORTS TO MEET THE DEMANDS OF THE COMMUNITY.

ALL COMMUNITY BENEFIT ACTIVITIES ARE REGULARLY EVALUATED FOR IMPACT AND EFFECTIVENESS AND AUDITED FOR COMPLIANCE WITH THE ORGANIZATION'S COMMUNITY BENEFIT POLICY.

SCHEDULE H, PART VI, LINE 3

PATIENT EDUCATION OF ELGIBILITY FOR ASSISTANCE:

IN ACCORDANCE WITH ITS CHARITY CARE POLICY, L+M HOSPITAL NOTIFIES PATIENTS OF THE AVAILABILITY OF FINANCIAL ASSISTANCE USING SEVERAL METHODS. 1) SIGNAGE INDICATING THE AVAILABILITY OF CHARITY CARE IS POSTED IN ENGLISH AND SPANISH IN PATIENT ACCOUNTS, HEALTH ACCESS MANAGEMENT AND CERTAIN CLINICAL AREAS. SUMMARIES OF THE PROGRAMS WILL ALSO BE AVAILABLE IN THOSE AREAS. 2) PATIENT FINANCIAL ADVISORS WILL ATTEMPT TO VISIT ALL INPATIENTS REGISTERED AS SELF-PAY PATIENTS. A SUMMARY EXPLAINING CHARITY CARE WILL BE GIVEN TO THE PATIENT OR GUARANTOR

Part VI Supplemental Information

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WHEN THIS VISIT OCCURS. 3) PATIENTS WITH NO INSURANCE WILL RECEIVE AN INITIAL LETTER WITHIN ONE WEEK OF DISCHARGE INFORMING THEM THAT L+M HOSPITAL CONSIDERS THEM "INSURED" PER THE CONNECTICUT GENERAL STATUES SECTION 19A-673. IT IS THE RESPONSIBILITY OF THE PATIENT TO ADVISE L+M HOSPITAL IF THEY BELIEVE THEY QUALIFY AS "UNINSURED" (AT OR UNDER 250% OF THE FPG). 4) A SERIES OF MONTHLY STATEMENTS WILL BE SENT FOLLOWING DISCHARGE. EACH STAIEMENT WILL REMIND THE PATIENT OF THE AVAILABILITY OF CHARITY CARE.

SCHEDULE H, PART VI, LINE 4

COMMUNITY INFORMATION:

POPULATION SIZE

THE COMMUNITIES THAT COMPRISE THE SERVICE AREA OF L+M HOSPITAL INCLUDE TEN TOWNS ALONG THE CONNECTICUT SHORELINE BETWEEN RHODE ISLAND AND THE CONNECTICUT RIVER AND INLAND TO SALEM, CT, WITH A TOTAL POPULATION OF APPROXIMATELY 180,000 PEOPLE YEAR-ROUND, INCREASING TO 250,000 IN THE SUMMER. OUR COMMUNITIES REPRESENT A BROAD MIX OF URBAN, SUBURBAN, AND RURAL AREAS.

Part VI Supplemental Information

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GENERAL DEMOGRAPHICS

THE TOWNS AND CITIES IN THIS AREA ARE VERY DIVERSE, NOT ONLY SOCIO-ECONOMICALLY BUT ALSO IN TERMS OF RACE, ETHNICITY, FAITH TRADITION, RESIDENT TRANSIENCE, EMPLOYMENT, HEALTH INSURANCE STATUS, AND EDUCATIONAL ATTAINMENT. FROM 2000 TO 2011, THERE WAS A SLIGHT OVERALL GROWTH IN POPULATION WITH DRAMATIC CHANGES OCCURRING IN ETHNIC AND RACIAL COMPOSITION OF THE LOCAL POPULATION: THE PERCENTAGE OF HISPANICS INCREASED BY 75.4%, AFRICAN AMERICANS INCREASED BY 16.9%, ASIAN INCREASED BY 124% AND THOSE WHO INDICATE "OTHER" INCREASED BY 63.9%. OTHER INCREASES HAVE OCCURRED IN THE EASTERN EUROPEAN, AND HAITIAN POPULATIONS, AMONG OTHERS, WITH LOCAL SCHOOL DISTRICTS REPORTING SIGNIFICANT PERCENTAGES OF CHILDREN FROM HOMES WHERE ENGLISH IS NOT THE PRIMARY LANGUAGE. CHANGES IN THE ETHNIC AND RACIAL MAKEUP OF COUNTY RESIDENTS OVER TIME WILL IMPACT THE BURDEN OF DISEASE AND DEMAND FOR HEALTH SERVICES.

MAJOR EMPLOYERS

Part VI Supplemental Information

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THE REGION HAS TRANSITIONED FROM A LARGELY DEFENSE INDUSTRY-BASED ECONOMY TO ONE THAT RELIES HEAVILY UPON EMPLOYMENT IN THE SERVICE AND TRADE SECTORS AND IN GENERAL HAS A HIGHER PERCENTAGE OF PERSONS EMPLOYED IN THOSE SECTORS -WITH CORRESPONDING LOWER RATES OF PAY- WHICH IS CORRELATED WITH THE LOWER PER CAPITA INCOME AND GREATER ECONOMIC VULNERABILITY. MAJOR EMPLOYERS INCLUDE THE MASHANTUCKET PEQUOT AND MOHEGAN TRIBES (FOXWOODS RESORT AND CASINO AND MOHEGAN SUN CASINO RESPECTIVELY), PFIZER GLOBAL RESEARCH AND DEVELOPMENT, EDUCATIONAL INSTITUTIONS (CONNECTICUT COLLEGE, MITCHELL COLLEGE AND THE U.S. COAST GUARD ACADEMY), GENERAL DYNAMICS/ELECTRIC BOAT, DOMINION, AND L+M.

PRIMARY SOCIAL AND HEALTH CARE FACTORS IN THE URBAN CENTERS OF THE REGION, RACIAL AND ETHNIC HEALTH DISPARITIES, HIGHER POVERTY AND UNEMPLOYMENT RATES, LOWER LEVELS OF EDUCATIONAL ATTAINMENT, LIMITED ACCESS TO AFFORDABLE HOUSING AND TRANSPORTATION, HIGHER RATES OF DEATH FROM CHRONIC ILLNESS, AND A GREATER LIKELIHOOD OF RESIDENTS NOT HAVING HEALTH INSURANCE, ALL OF WHICH PRESENT PARTICULAR CHALLENGES. MEDIAN HOUSEHOLD INCOME IN THE L+M HOSPITAL SERVICE AREA IS

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FAR BELOW THAT OF THE STATE, WITH AFRICAN AMERICAN AND HISPANIC FAMILIES' INCOMES SIGNIFICANTLY LOWER THAN WHITE FAMILIES' INCOMES. THE REGION INCLUDES ONE PRIORITY SCHOOL DISTRICT IN WHICH FAMILIES SPEAK OVER 30 DIFFERENT LANGUAGES AND APPROXIMATELY 40% OF CHILDREN CHANGE SCHOOLS EACH YEAR. TWO OF OUR COMMUNITIES HAVE A GREATER PERCENTAGE OF CHILDREN LIVING IN POVERTY THAN THE STATE AVERAGE OF 24%.

THE CHRONIC DISEASE BURDEN IS HIGH THROUGHOUT NEW LONDON COUNTY WITH NORWICH AND NEW LONDON HAVING HIGHER PERCENTAGES WITH 3+ CHRONIC CONDITIONS THAN OTHER REGIONS. THESE TWO COMMUNITIES ALSO HAVE A HIGHER PERCENTAGE OF PEOPLE WHO SELF-IDENTIFY AS "NOT WELL" AND, ALONG WITH SOME OUTLYING TOWNS, HAVE THE LEAST FAVORABLE INDICATORS FOR CHRONIC DISEASE.

SCHEDULE H, PART VI, LINE 5

PROMOTION OF COMMUNITY HEALTH:

L+M HOSPITAL'S COMMUNITY BENEFIT PROGRAMS AND SERVICES FORWARD THE ORGANIZATIONAL MISSION TO IMPROVE THE HEALTH OF THE REGION AND ALIGN WITH THE PRINCIPLES AS SET FORTH IN THE ORGANIZATION'S COMMUNITY BENEFIT

Part VI Supplemental Information

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POLICY. THOSE PRINCIPLES INCLUDE:

1. EMPHASIS ON PROGRAMS TO MEET A SIGNIFICANT UNMET HEALTH NEED INCLUDING EFFORTSTO IDENTIFY AND INCLUDE VULNERABLE POPULATIONS OR THOSE MOST AT-RISK AS DETERMINED BY RISK FACTORS WHICH PREDISPOSE THOSE POPULATIONS TOWARD A HIGHER INCIDENCE OF DISEASE AND/OR BARRIERS TO OBTAINING APPROPRIATE HEALTHCARE.

2. EMPHASIS ON PRIMARY PREVENTION AND INCLUDING AT LEAST ONE OF THREE PRIMARYPREVENTION STRATEGIES: HEALTH PROMOTION, DISEASE PREVENTION, AND HEALTH PROTECTION.HEALTH PROMOTION ENTAILS ENCOURAGING HEALTHY LIFESTYLES; DISEASE PREVENTION FOCUSES ON INDIVIDUALS IDENTIFIED AS AT-RISK FOR HEALTH PROBLEMS; HEALTH PROTECTION ACTIVITIES INFLUENCE THE ENVIRONMENT TO SUPPORT HEALTHY BEHAVIORS.

3. PROGRAMS SHOULD DEVELOP EVIDENCE-BASED LINKS BETWEEN CLINICAL SERVICES AND HEALTH IMPROVEMENT ACTIVITIES DELIVERED BOTH INSIDE AND OUTSIDE THE HOSPITAL.

4. PROGRAMS SHOULD FOCUS ON TARGETING CHARITABLE RESOURCES THAT MOBILIZE AND BUILD CAPACITY WITHIN EXISTING COMMUNITY ASSETS WHILE

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MINIMIZING DUPLICATION OF EFFORT.

5. PROGRAMS SHOULD EMPHASIS COLLABORATION WITH COMMUNITY STAKEHOLDERS.

AS EVIDENCED BY THE WIDE RANGE OF COMMUNITY BENEFIT PROGRAMS AND SERVICES OFFERED, L+M HOSPITAL IS ENGAGED IN MEETING THE IDENTIFIED HEALTH NEEDS OF THE COMMUNITIES WE SERVE. THERE IS AN ORGANIZATIONAL HISTORY OF COLLECTING DATA TO DETERMINE HOW BEST TO DIRECT OUR RESOURCES AND HOW TO MAKE THE GREATEST IMPACT IN PROMOTING COMMUNITY HEALTH. OUR ANNUAL COMMUNITY BENEFIT REPORT PUBLICATION DESCRIBES A SAMPLING OF PROGRAMS AND THE AMOUNT OF INVESTMENT THAT L+M MAKES IN CARRYING OUT THESE PROGRAMS.

COMMUNITY INVOLVEMENT IN GOVERNANCE AND ADVISORY GROUPS

COMMUNITY ENGAGEMENT IN THE PLANNING, IMPLEMENTATION AND EVALUATION OF L+M HOSPITAL INITIATIVES IS OF UTMOST IMPORTANCE. CONSUMERS AND STAKEHOLDER ORGANIZATIONS PARTICIPATE IN A RANGE OF ACTIVITIES SO AS TO ENSURE THAT MANY PERSPECTIVES ARE CONSIDERED. ONE EXAMPLE OF BROAD COMMUNITY INVOLVEMENT IS IN OUR FACILITATION OF A MULTI-SECTOR

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

STAKEHOLDER COLLABORATIVE TO BRING A COMMUNITY FITNESS CENTER TO OUR HOME COMMUNITY. ADDITIONALLY, OUR COMMUNITY-BASED PROGRAMS EACH HAVE ADVISORY GROUPS, INCLUDING THE FAITH IN ACTION NETWORK (PARISH NURSING), SAFE KIDS NEW LONDON COUNTY (INJURY PREVENTION), AND TEEN PREGNANCY PREVENTION TASK FORCE. THE RECONNECTING THE HOMELESS PROGRAM ENGAGES IN COMMUNITY COLLABORATIVES THAT PROVIDE IMPORTANT INPUT FOR THE PROGRAM AND EMPHASIS IS PLACED ON HOSPITAL REPRESENTATIVE PARTICIPATION IN OTHER COMMUNITY ORGANIZATIONS SO AS TO PROVIDE OPPORTUNITIES TO HEAR FROM OUR CONSUMERS.

L+M HOSPITAL'S BOARD OF DIRECTORS IS MADE UP OF COMMUNITY LEADERS WHO RESIDE IN L+M HOSPITAL'S PRIMARY SERVICE AREA. THESE VOLUNTEERS GIVE COUNTLESS HOURS OF SERVICE TO L+M HOSPITAL IN THEIR OVERSIGHT ROLE. THEY ARE INVOLVED IN THE STRATEGIC PLANNING, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP AMONG OTHER RESPONSIBILITIES. OUR CORPORATORS ARE OUR COMMUNITY-LIAISONS AND REPRESENT ALL SECTORS OF OUR COMMUNITIES PROVIDING INPUT AND FEEDBACK REGULARLY. MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15a, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OTHER INFORMATION:

A MAJORITY OF L+M HOSPITAL'S TRUSTEES ARE MEMBERS OF THE COMMUNITY SERVED BY L+M HOSPITAL AND ARE NOT EMPLOYED BY L+M HOSPITAL NOR ARE THEY FAMILY MEMBERS OF PERSONS EMPLOYED BY L+M HOSPITAL. L+M HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY WHO WISH TO JOIN THE STAFF, CONSISTENT WITH THE SIZE AND NATURE OF ITS FACILITIES. EXCESS RECEIPTS FROM OPERATIONS ARE DEVOTED TO IMPROVEMENT OF FACILITIES, DEBT SERVICE, MEDICAL TRAINING AND RESEARCH.

HEALTH ADVOCACY INITIATIVES

L+M HOSPITAL IS INVOLVED IN HEALTH ADVOCACY INITIATIVES TO REDUCE UNINTENTIONAL INJURY TO CHILDREN, AND TO IMPROVE THE HEALTHCARE, PUBLIC HEALTH AND SOCIAL SERVICE SYSTEMS IN NEW LONDON COUNTY. OUR SAFE KIDS NEW LONDON COUNTY PROGRAM PLAYS A LEADERSHIP ROLE ON THE LOCAL, STATE AND NATIONAL LEVELS IN ADVOCATING FOR PUBLIC POLICIES THAT REDUCE INJURY RISK FOR CHILDREN. L+M HOSPITAL'S LEADERSHIP IN THE NEW LONDON COUNTY HEALTH COLLABORATIVE, AND PARTNERSHIP WITH OVER 12 OTHER ORGANIZATIONS INCLUDING BACKUS HOSPITAL, THREE HEALTH DEPARTMENTS, THREE FEDERALLY QUALIFIED

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH CENTERS, THE COUNTY ANTI-POVERTY AGENCY, TWO HOMECARE ORGANIZATIONS, AND THE COUNTY'S LARGEST CHILD ADVOCACY ORGANIZATION, HAS RESULTED IN THE COLLABORATIVE BEING LOOKED TO AS A VALUABLE RESOURCE FOR POLICY MAKERS. ADDITIONALLY, THE EFFORTS OF THE NEW LONDON COUNTY HEALTH COLLABORATIVE ARE HAVING AN IMPACT ON COMMUNITY HEALTH, INITIALLY IN THE AREA OF IMPROVED ACCESS TO CARE.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☒ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	X	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 BRUCE D. CUMMINGS	(i)	534,401.	77,543.	18,282.	79,440.	8,351.	718,017.	0
	(ii)	0	0	0	0	0	0	0
2 HENRY AMDUR, MD	(i)	0	0	193,562.	0	0	193,562.	0
	(ii)	47,079.	0	0	0	0	47,079.	0
3 LUGENE INZANA	(i)	313,283.	47,058.	1,242.	9,800.	26,186.	397,569.	0
	(ii)	0	0	0	0	0	0	0
4 PETER FRASER	(i)	156,540.	21,343.	23,219.	6,919.	25,494.	233,515.	0
	(ii)	0	0	0	0	0	0	0
5 WILLIAM STANLEY	(i)	170,730.	16,682.	21,770.	8,475.	22,223.	239,880.	0
	(ii)	0	0	0	0	0	0	0
6 ATTORNEY MAUREEN ANDERS	(i)	240,640.	25,379.	810.	9,800.	22,020.	298,649.	0
	(ii)	0	0	0	0	0	0	0
7 DANIEL RISSI	(i)	357,830.	48,447.	3,564.	9,800.	15,740.	435,381.	0
	(ii)	0	0	0	0	0	0	0
8 KIMBERLY KALAJAINEN	(i)	197,274.	22,431.	9,774.	9,392.	27,338.	266,209.	0
	(ii)	0	0	0	0	0	0	0
9 CRISTA DURAND	(i)	249,805.	36,084.	540.	9,800.	22,020.	318,249.	0
	(ii)	0	0	0	0	0	0	0
10 LAUREN WILLIAMS	(i)	230,464.	29,185.	2,322.	9,800.	7,872.	279,643.	0
	(ii)	0	0	0	0	0	0	0
11 PAMELA KANE	(i)	189,444.	25,597.	540.	8,852.	22,020.	246,453.	0
	(ii)	0	0	0	0	0	0	0
12 MICHAEL ALPER	(i)	114,583.	6,762.	56,303.	6,279.	17,704.	201,631.	0
	(ii)	0	0	0	0	0	0	0
13 RICHARD PAPATONIO	(i)	115,860.	17,160.	39,488.	6,900.	0	179,408.	0
	(ii)	0	0	0	0	0	0	0
14 GARTH BALLANTYNE	(i)	749,093.	58,500.	1,980.	0	15,740.	825,313.	0
	(ii)	0	0	0	0	0	0	0
15 DAVID F. REISFELD, MD	(i)	0	0	4,050.	0	0	4,050.	0
	(ii)	270,815.	19,015.	992.	8,938.	22,020.	321,780.	0
16 GERALDINE RUFFA	(i)	226,211.	1,348.	690.	8,236.	22,020.	258,505.	0
	(ii)	0	0	0	0	0	0	0

Schedule J (Form 990) 2011

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SHARON BROWN	(i)	152,424.	0	17,200.	6,833.	8,647.	185,104.	0
	(ii)	0	0	0	0	0	0	0
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DOHP1704

JSA

1E1291 1.000

33042N 7377

Schedule J (Form 990) 2011

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART I, LINES 1A AND 1B

WILLIAM STANLEY, VP OF DEVELOPMENT, HAS A NONTAXABLE MEMBERSHIP TO THE THAMES CLUB IN NEW LONDON. THE THAMES CLUB IS A SOCIAL CLUB THAT ALLOWS NETWORKING WITH POTENTIAL DONORS OR BOARD MEMBERS.

BRUCE CUMMINGS, PRESIDENT & CEO, AUTHORIZES WILLIAM STANLEY'S MEMBERSHIP IN THE THAMES CLUB IN HIS ROLE AS VICE PRESIDENT OF DEVELOPMENT & COMMUNITY RELATIONS OF LAWRENCE & MEMORIAL HOSPITAL. IN AN EFFORT TO CONDUCT BUSINESS IN THE COMMUNITY AND REPRESENT LAWRENCE & MEMORIAL HOSPITAL, THE THAMES CLUB PROVIDES AN APPROPRIATE SETTING FOR MEETINGS WITH BOARD MEMBERS AND BOTH CURRENT AND POTENTIAL DONORS.

SCHEDULE J, PART I, LINE 4B

LAWRENCE & MEMORIAL HOSPITAL ESTABLISHED A SECTION 457(F) CEO SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN FOR THE HOSPITAL'S PRESIDENT AND CHIEF EXECUTIVE OFFICER, BRUCE D. CUMMINGS. AMOUNTS ARE CREDITED TO THE RETIREMENT ACCOUNT IN MONTHLY INSTALLMENTS THROUGHOUT EACH PLAN YEAR. PLAN AMOUNTS WILL BE PAID ONLY IF CERTAIN CONDITIONS ARE MET, INCLUDING REMAINING EMPLOYED BY THE HOSPITAL THROUGH AGE 65, AS OUTLINED IN THE

Schedule J (Form 990) 2011

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PLAN AGREEMENT. DURING 2011, SECTION 457(F) CONTRIBUTIONS OF $69,640 WERE CREDITED TOWARDS THE PLAN.

SCHEDULE J, PART I, LINE 7

L&M HOSPITAL HAS AN EXECUTIVE INCENTIVE PLAN. BONUSES ARE AWARDED UNDER THE PLAN BASED ON THE EXECUTIVE MEETING TEAM AND PERSONAL GOALS. THE PLAN ALSO INCLUDES A DISCRETIONARY COMPONENT. MEMBERS OF L&M HOSPITAL'S SENIOR MANAGEMENT TEAM (PRESIDENT & VICE PRESIDENTS) ARE ELIGIBLE FOR ANNUAL EXECUTIVE INCENTIVE PLAN AWARDS, BASED ON PRE-SET PERCENTAGES OF BASE SALARY TO EACH EXECUTIVE BASED ON THE HOSPITAL MEETING ITS FINANCIAL AND WORK-PLAN GOALS AS WELL AS THE EXECUTIVE MEETING PREDETERMINED INDIVIDUAL AND TEAM GOALS. IN THE CASE OF AN EXECUTIVE NOT MEETING ALL OF THEIR PREDETERMINED GOALS, A PERCENTAGE OF THE ELIGIBLE TARGET AMOUNT MAY BE AWARDED.

TAX-EXEMPT BONDS

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

LAWRENCE & MEMORIAL HOSPITAL

Employer identification number

06-0646704

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CT HEFA VAR RATE DEMAND REV BONDS, SERIES E	06-0806186	20774LS89	01/16/2008	22,990,000.	SEE SCHEDULE O		X		X		X
B	CT HEFA FIXED RATE REV BONDS, SERIES F	06-0806186	VARIOUS	09/15/2011	61,831,040.	SEE SCHEDULE O		X		X		X
C												
D												

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired		2,885,000.		
2 Amount of bonds legally defeased	22,990,000.	61,831,040.		
3 Total proceeds of issue				
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows		1,021,749.		
7 Issuance costs from proceeds				
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds	22,990,000.	60,809,291.		
11 Other spent proceeds				
12 Other unspent proceeds				

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
13 Year of substantial completion								
14 Were the bonds issued as part of a current refunding issue?	X		X					
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X				
2 Are there any lease arrangements that may result in private business use of bond-financed property?				X				

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2011

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33042N 7377

DOHP1707

TAX-EXEMPT BONDS

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?				X				
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?				X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?			X					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2 Is the bond issue a variable rate issue?	X			X				
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?		X		X				
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X		X				
5 Were any gross proceeds invested beyond an available temporary period?	X			X				
6 Did the bond issue qualify for an exception to rebate?								

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☒ No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

NAME OF BOND:

DOHP1708

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total			▶ $							

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	NORTHEAST UTILITIES	BOARD MEMBER/DIRECTOR	991,548.	UTILITIES SERVICES		X
(2)	BLUECROSS BLUESHIELD	SECRETARY'S IN LAW IS CEO	1,226,778.	INSURANCE PREMIUMS		X
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

FORM 990, PART III, LINE 4

LAWRENCE & MEMORIAL HOSPITAL PROVIDES QUALITY MEDICAL CARE REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF LAWRENCE & MEMORIAL HOSPITAL, WE RECOGNIZE THAT NOT ALL PERSONS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES; AND, FURTHER, WE BELIEVE THAT A PART OF OUR MISSION IS TO CARE FOR THE MEDICALLY UNDER-SERVED IN OUR COMMUNITY WITH RESPECT TO PROVIDING HEALTH CARE SERVICES AND HEALTH CARE EDUCATION. IN KEEPING WITH OUR HOSPITAL'S MISSION OF "IMPROVING THE HEALTH OF OUR REGION" AND OUR COMMITMENT TO SERVE ALL MEMBERS OF ITS COMMUNITY, WE PROVIDE:

- FREE CARE AND/OR SUBSIDIZED CARE.
- CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS AT BELOW COST.
- A BROAD RANGE OF HEALTH CARE ACTIVITIES, PROGRAMS AND SERVICES TO SUPPORT OUR COMMUNITY.
- A SPECIAL COMMUNITY OUTREACH PROGRAM.

THESE PROGRAMS WILL BE CONSIDERED WHERE THE NEED AND/OR AN INDIVIDUAL'S INABILITY TO PAY COEXIST. THESE ACTIVITIES INCLUDE WELLNESS PROGRAMS, EMERGENCY RESPONSE PROGRAMS, COMMUNITY HEALTH SCREENINGS, COMMUNITY EDUCATION PROGRAMS, SPECIAL PROGRAMS FOR THE ELDERLY, HANDICAPPED, AND THE MEDICALLY UNDER-SERVED, AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES.

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

DURING THE YEAR ENDED SEPTEMBER 30, 2012, LAWRENCE & MEMORIAL HOSPITAL SERVED 14,942 HOSPITALIZED PATIENTS AND 185,194 PATIENT VISITS THROUGH OUR AMBULATORY PROGRAMS. IN ADDITION, 87,923 EMERGENCY CASES CAME THROUGH OUR EMERGENCY FACILITIES IN NEW LONDON (49,822) AND GROTON (38,101). SAME DAY SURGERIES ACCOUNTED FOR 7,324 PROCEDURES.

RECOGNIZING ITS MISSION TO THE COMMUNITY, LAWRENCE & MEMORIAL HOSPITAL PROVIDES CARE TO PERSONS COVERED BY FEDERAL AND STATE PROGRAMS AT OR BELOW COST. LAWRENCE & MEMORIAL HOSPITAL ALSO RECOGNIZES CHARITY CARE IN FULFILLING ITS MISSION TO THE ENTIRE COMMUNITY. CHARITY CARE IS ALSO PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE PROGRAMS OFFERED THROUGHOUT THE YEAR, BASED UPON ACTIVITIES AND SERVICES WHICH LAWRENCE & MEMORIAL HOSPITAL BELIEVES WILL SERVE A "BONA FIDE" COMMUNITY HEALTH CARE NEED.

OVERVIEW

========

LAWRENCE & MEMORIAL HOSPITAL BELIEVES THAT MOTIVATION THROUGH EDUCATION IS A STRONG FORCE IN HELPING INDIVIDUALS PREVENT ILLNESSES AND MAKE INFORMED CHOICES ABOUT THEIR BODIES AND WHAT HAPPENS TO THEM. OUR APPROACH PROVIDES ACCURATE HEALTH INFORMATION THROUGH A VARIETY OF PROGRAMMING EFFORTS SO CONSUMERS FEEL A PART OF THE DECISION-MAKING PROCESS AND HAVE AN ACTIVE ROLE IN THOSE DECISIONS. AS A RESULT, LAWRENCE & MEMORIAL REMAINS AMONG CONNECTICUT'S MOST PRO-ACTIVE HOSPITALS

IN OFFERING DIVERSIFIED AND BROAD-BASED COMMUNITY HEALTH EDUCATION PROGRAMS. THESE PROGRAMMING EFFORTS INCLUDE COMMUNITY LECTURES AT THE HOSPITAL, CABLE TV ACCESS PROGRAMMING, RELIABLE HEALTH INFORMATION WITH OVER 2,500 HEALTH-RELATED ARTICLES ON THE HOSPITAL'S WEB SITE (WWW.LMHOSPITAL.ORG), TOURS, SUPPORT GROUPS, COMMUNITY EDUCATIONAL PROGRAMS, PUBLIC SERVICE ANNOUNCEMENTS AND SCREENING AND HEALTH FAIRS, INCLUDING ONSITE VISITS TO LARGE AND SMALL COMPANIES.

LAWRENCE & MEMORIAL'S COMMUNITY OUTREACH PROGRAM HAS BEEN ABLE TO REACH A BROAD, CROSS-SECTION OF THE GREATER NEW LONDON COMMUNITY IN SOUTHEASTERN CONNECTICUT.

THE COMMUNITY CONTRIBUTIONS ALSO INCLUDE SOME UNMENTIONED COMMUNITY BENEFITS SUCH AS: ADMINISTRATIVE AND FINANCIAL SUPPORT, OFFICE SPACE AND A LIBRARY OF ACCESSIBLE RESOURCES TO LEADERSHIP WITHIN THE VARIOUS FAITH COMMUNITIES IN OUR REGION.

IN ADDITION, THERE ARE MANY COMMUNITY ORGANIZATIONS THAT WE SUPPORT AS PART OF BEING A GOOD NEIGHBOR AND TO RECOGNIZE THEIR EFFORTS IN OUR COMMUNITY.

FORM 990, PART VI, LINE 2
DANIEL RISSI, DONALD FELITTO, R. ALAN HUNTER, MAUREEN ANDERSON AND HENRY AMDUR SERVE ON THE BOARD OF L&M INDEMNITY, A RELATED ORGANIZATION.

FORM 990, PART VI, LINE 11A

Name of the organization: LAWRENCE & MEMORIAL HOSPITAL

Employer identification number: 06-0646704

WORKING WITH A PAID PREPARER, A FORM 990 IS PREPARED. L&M HOSPITAL'S FORM 990 IS THEN REVIEWED BY THE HOSPITAL'S INTERNAL MANAGEMENT. THE COMPLETED FORM 990 IS PROVIDED TO ALL MEMBERS OF THE BOARD OF DIRECTORS PRIOR TO THE FORM BEING FILED WITH THE IRS.

FORM 990, PART VI, LINE 12

L&M HOSPITAL REQUIRES ALL BOARD MEMBERS, OFFICERS, AND KEY EMPLOYEES TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. QUESTIONNAIRES ARE COMPLETED ANNUALLY AND ARE REVIEWED BY L&M HOSPITAL'S GENERAL COUNSEL. ANY ACTUAL OR POTENTIAL CONFLICTS DISCLOSED ARE PRESENTED TO THE BOARD. APPROPRIATE CORRECTIVE ACTIONS ARE DECIDED ON A CASE BY CASE BASIS.

FORM 990, PART VI, LINE 15

L&M HOSPITAL EXECUTIVE COMPENSATION COMMITTEE ANNUALLY REVIEWS THE SALARIES OF ITS EXECUTIVE MANAGEMENT. UTILIZING AN INDEPENDENT COMPENSATION CONSULTANT, THE EXECUTIVE COMPENSATION COMMITTEE APPROVES COMPENSATION. THE COMMITTEE'S DELIBERATIONS ARE REFLECTED IN ITS MINUTES. CEO'S COMPENSATION IS APPROVED BY THE FULL BOARD.

FORM 990, PART VI, LINE 19

THE ORGANIZATION MAKES GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART VII, SECTION A

HENRY AMDUR, MD IS COMPENSATED FOR SERVICES PROVIDED TO THE HOSPITAL AS

AN INDEPENDENT CONTRACTOR.

MARY ANN D. BENTZ, MD AND DONALD FELITTO ARE COMPENSATED AS MEDICAL STAFF AND NOT AS DIRECTORS.

ROBERT KELTNER IS COMPENSATED NOT AS MEDICAL STAFF OR AS DIRECTOR BUT HE IS COMPENSATED FOR SPECIALIZED ICU SERVICES AND SEVERAL OTHER SPECIALIZED SERVICES.

FORM 990, PART IX, LINE 25

FUNDRAISING EXPENSES ARE REPORTED ON FORM 990, PART IX FOR LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704). CONTRIBUTIONS ARE REPORTED ON THE FORMS 990 FOR BOTH LAWRENCE & MEMORIAL HOSPITAL (EIN 06-0646704) AND LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028). ADDITIONAL CONTRIBUTIONS IN THE AMOUNT OF $2,850,055 ARE REPORTED ON THE FORM 990 FOR LAWRENCE & MEMORIAL CORPORATION (EIN 22-2553028).

FORM 990, PART XI, LINE 5

UNREALIZED GAINS	$13,181,327
REALIZED LOSSES	-389,807
PAYMENTS TO AFFILIATES	-$25,044,178
CHANGE IN VALUE OF IRREVOCABLE TRUSTS	$488,575
INCREASE IN FUNDS HELD IN TRUST BY OTHERS	$354,949
CHANGE IN MINIMUM PENSION LIABILITY	-10,751,244

-$22,160,378

FORM 990, SCHEDULE K, PART I, COLUMN (F)

NAME OF BOND: $22,990,000 VAR. RATE DEMAND REV, BDS. LAWRENCE & MEMORIAL HOSP. ISSUE, SERIES E REFUNDED 2004 ISSUE, WHICH REFUNDED 1998 ISSUE.

NAME OF BOND: $58,940,000 FIXED RATE REV BONDS, SERIES F

THE PROCEEDS OF THE SERIES F BONDS WILL BE USED TO REFUND THE OUTSTANDING AUTHORITY REVENUE BONDS, LAWRENCE & MEMORIAL HOSPITAL ISSUE, SERIES D (THE "SERIES D BONDS") AND TO FUND ALL OR A PORTION OF THE FOLLOWING CAPITAL PROJECTS:

(1) REPLACEMENT OF A LINEAR ACCELERATOR ON THE MAIN CAMPUS OF THE HOSPITAL.

(2) CAPITAL IMPROVEMENTS FOR INFRASTRUCTURE RENOVATION AND IMPROVEMENT ON THE MAIN CAMPUS, INCLUDING HEATING, VENTILATION, AND AIR CONDITIONING PROJECT.

(3) REPLACEMENT OF A CATHETERIZATION LAB AND EQUIPMENT ON THE MAIN CAMPUS.

(4) ACQUISITION OF APPROXIMATELY 100 ACRES OF LAND IN WATERFORD, CONNECTICUT FOR DEVELOPMENT OF A NEW CANCER CENTER.

(5) ACQUISITION AND INSTALLATION OF MAGNETIC RESONANCE IMAGING (MRI) AND CT EQUIPMENT AT THE CROSSROADS FACILITY.

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

ATTACHMENT 1

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
JAY E. ALLEN, DMD DIRECTOR	2.00
ULYSSES B. HAMMOND CHAIRMAN	2.00
R. ALAN HUNTER DIRECTOR	2.00
ROBERT KELTNER, MD DIRECTOR	2.00
MARILYNN MALERBA SECRETARY	2.00
GRANVILLE MORRIS VICE CHAIRMAN	2.00
LEON J. OLIVIER DIRECTOR	2.00
TONI HOOVER, PH.D. DIRECTOR	2.00
FRED A. CONTI, CPA TREASURER	2.00
KATHLEEN STEAMER, CPA DIRECTOR	2.00
CAROL O. RIDGEWAY DIRECTOR	2.00
SCOTT D. BATES DIRECTOR	2.00
MARY ELLEN JUKOSKI, EDD DIRECTOR	2.00
BRUCE D. CUMMINGS PRESIDENT / CEO	6.75
HENRY AMDUR, MD PAST PRESIDENT, MEDICAL STAFF	2.00
DONALD J. FELITTO, MD PRESIDENT, MEDICAL STAFF	2.00
DAVID F. REISFELD, MD VP, MED STAFF (AS OF 12/14/11)	38.00
B. MICHAEL RAUH, JR. DIRECTOR (AS OF 12/14/11)	2.00
LUGENE INZANA VP CHIEF FINANCIAL OFFICER	6.00
ATTORNEY MAUREEN ANDERSON ASSISTANT SECRETARY	4.00
DANIEL RISSI VP CHIEF MEDICAL OFFICER	4.00
KIMBERLY KALAJAINEN VP CHIEF INFORMATION OFFICER	2.00
PAMELA KANE VP PHYSICIANS PRACTICE	40.00

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

ATTACHMENT 2

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
IPC HOSPITALISTS OF NEW ENGLAND P.C. PO BOX 92264 LOS ANGELES, CA 90009	HOSPITALISTS	1,333,456.
EASTERN CT CARDIOLOGY 196 PARKWAY SOUTH, SUITE 103 WATERFORD, CT 06385	MEDICAL DOCTORS	1,195,309.
ANESTHESIA ASSOCIATES OF NEW LONDON 365 MONTAUK AVENUE NEW LONDON, CT 06365	ANESTHESIOLOGISTS	734,687.
YANKEE REMODELER 95 TRUMAN STREET NEW LONDON, CT 06320	REMODELING COMPANY	1,220,770.
TOTAL LAUNDRY COLLABORATIVE, LLC 114 WOODLAND STREET HARTFORD, CT 06105	LAUNDRY SERVICES	936,857.
TOTAL COMPENSATION		5,421,079.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
LAWRENCE & MEMORIAL HOSPITAL

Employer identification number
06-0646704

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) LAWRENCE & MEMORIAL CORPORATION 22-2553028 365 MONTAUK AVENUE NEW LONDON, CT 06320	SUPPORT	CT	501(C)(3)	11 TYPE I	N/A		X
(2) LAWRENCE & MEMORIAL FOUNDATION, INC. 22-2553026 365 MONTAUK AVENUE NEW LONDON, CT 06320	FUNDRAISING	CT	503(C)(3)	PF	L&M CORP	X	
(3) L&M HEALTHCARE, INC. 22-2553031 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(4) ASSOCIATED SPECIALISTS OF SE CT 20-8006123 404 THAMES STREET GROTON, CT 06340	PHYS PRACTICE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(5) VISITING NURSE ASSOCIATE OF SE CT 06-0646616 403 N FRONTAGE ROAD WATERFORD, CT 06385	HEALTHCARE	CT	501(C)(3)	9	L&M CORP	X	
(6) L&M PHYSICIAN ASSOCIATION INC 27-1094375 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	501(C)(3)	11 TYPE I	L&M HOSPITAL	X	
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

JSA
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DOHP1719

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) L&M SYSTEMS, INC 22-2553037 365 MONTAUK AVENUE NEW LONDON, CT 06320	HEALTHCARE	CT	N/A	C			
(2) L&M HOMECARE SERVICES, INC. 06-1389272 365 MONTAUK AVENUE NEW LONDON, CT 06320	THERAPY	CT	N/A	C			
(3) L&M INDEMNITY 98-1021436 PO BOX 1159 KY1-1102 GRAND CAYMAN, CAYMAN ISLANDS CJ	INSURANCE	CJ	N/A	C			
(4) CHARITABLE REMAINDER TRUSTS (3)	SUPPORT	CT	L&M HOSPITAL	TRUST			
(5)							
(6)							
(7)							

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to related organization(s)	X	
c	Gift, grant, or capital contribution from related organization(s)		X
d	Loans or loan guarantees to or for related organization(s)		X
e	Loans or loan guarantees by related organization(s)		X
f	Sale of assets to related organization(s)	X	
g	Purchase of assets from related organization(s)		X
h	Exchange of assets with related organization(s)		X
i	Lease of facilities, equipment, or other assets to related organization(s)		X
j	Lease of facilities, equipment, or other assets from related organization(s)		X
k	Performance of services or membership or fundraising solicitations for related organization(s)		X
l	Performance of services or membership or fundraising solicitations by related organization(s)		X
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n	Sharing of paid employees with related organization(s)		X
o	Reimbursement paid to related organization(s) for expenses	X	
p	Reimbursement paid by related organization(s) for expenses	X	
q	Other transfer of cash or property to related organization(s)		X
r	Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	ASSOCIATED SPECIALISTS OF SE CT	B	1,723,846.	CASH
(2)	ASSOCIATED SPECIALISTS OF SE CT	O	28,786.	CASH
(3)				
(4)				
(5)				
(6)				

Schedule R (Form 990) 2011

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
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Part VII **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Lawrence & Memorial Hospital

Consolidated Financial Statements and Supplemental Information
September 30, 2012 and 2011

Lawrence & Memorial Hospital
Index
September 30, 2012 and 2011

	Page(s)
Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations	3
Consolidated Statements of Changes in Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6–22
Consolidating Supplemental Information	
Consolidating Balance Sheets	23–26
Consolidating Statements of Operations	27–28

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Report of Independent Auditors

To the Board of Trustees of
Lawrence & Memorial Hospital

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets, and cash flows present fairly, in all material respects, the financial position of Lawrence & Memorial Hospital (a subsidiary of Lawrence & Memorial Corporation, the "Hospital") at September 30, 2012 and 2011, and the results of their operations, their changes in net assets, and of their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 23 through 28, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations. Accordingly, we do not express an opinion on the financial position, results of operations, and changes in net assets, of the individual organizations. However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, based on our audits is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 14, 2012

PricewaterhouseCoopers LLP, 185 Asylum Street, Suite 2400, Hartford, CT 06103-3404
T: (860) 241 7000, F: (860) 241 7590, www.pwc.com/us

Lawrence & Memorial Hospital
Consolidated Balance Sheets
September 30, 2012 and 2011

	2012	2011
Assets		
Current assets		
Cash and cash equivalents	$ 13,709,499	$ 41,797,328
Investments	138,433,638	105,904,042
Patient accounts receivable, net of allowance for doubtful accounts of $6,514,265 and $7,135,219, respectively	28,946,593	30,483,331
Other receivables	17,488,730	3,998,458
Inventories	4,469,470	4,528,017
Due from affiliates	639,799	578,161
Prepaid expenses and other current assets	2,004,576	1,739,804
Debt service fund	1,307,110	1,109,892
Total current assets	206,999,415	190,139,033
Assets limited as to use		
Cash	180,789	179,900
Construction fund	-	8,427,695
Investments held in trust	971,261	11,241,951
Endowment investments	16,251,376	14,398,888
Funds held in trust by others	6,451,420	5,607,933
Contributions receivable	20,366	20,328
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	2,247,370
Total assets limited as to use	26,122,337	42,124,065
Deferred financing costs and other assets, net	1,857,504	1,938,833
Property, plant and equipment, net	134,926,548	120,976,661
	$ 369,905,804	$ 355,178,792
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 25,447,380	$ 22,690,113
Accrued vacation and sick pay	12,283,930	11,705,811
Salaries, wages, payroll taxes and amounts withheld from employees	3,887,888	3,125,898
Due to affiliates	2,421,244	1,913,991
Due to third party payors	5,409,556	7,838,088
Current portion of long-term debt	2,762,007	2,976,493
Total current liabilities	52,212,005	50,250,394
Accrued pension and other postretirement benefits	51,185,800	43,423,221
Other liabilities	17,998,408	14,213,720
Long-term debt, less current portion	79,507,217	82,249,920
Total liabilities	200,903,430	190,137,255
Net assets		
Unrestricted	143,045,328	141,738,900
Temporarily restricted	20,092,239	17,792,779
Permanently restricted	5,864,807	5,509,858
Total net assets	169,002,374	165,041,537
	$ 369,905,804	$ 355,178,792

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Hospital
Consolidated Statements of Operations
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted revenues, gains and other support		
Net revenues from services to patients	$ 329,278,379	$ 325,275,690
Other operating revenues	11,277,917	11,091,202
Net assets released from restriction used for operations	449,575	394,829
Total unrestricted revenues, gains and other support	341,005,871	336,761,721
Expenses		
Salaries and wages	152,912,737	149,953,412
Employee benefits	42,122,837	41,985,784
Supplies	46,248,498	45,904,757
Purchased services	24,623,743	23,474,674
Other	28,877,147	29,046,249
Interest	2,315,992	2,212,181
Depreciation and amortization	18,825,589	17,199,566
Bad debts	12,114,319	14,356,474
Total expenses	328,040,862	324,133,097
Income from operations	12,965,009	12,628,624
Nonoperating gains		
Unrestricted investment income	160,370	171,387
Income from investments	4,424,194	5,993,369
Loss on refinancing of debt	-	(2,026,984)
Total nonoperating gains	4,584,564	4,137,772
Excess of revenues over expenses	17,549,573	16,766,396
Transfers to affiliated entity	(16,931,534)	(12,670,075)
Net unrealized gains/(losses) on investments	11,303,455	(6,282,024)
Net assets released from restriction used for purchase of property, plant and equipment	136,178	176,082
Pension - related changes other than periodic pension costs	(10,751,244)	5,839,963
Increase in unrestricted net assets	$ 1,306,428	$ 3,830,342

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Hospital
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted net assets		
Excess of revenues over expenses	$ 17,549,573	$ 16,766,396
Transfer (to)/from affiliated entities	(16,931,534)	(12,670,075)
Net unrealized gains/(losses) on investments	11,303,455	(6,282,024)
Net assets released from restrictions used for purchase of property, plant and equipment	136,178	176,082
Pension – related changes other than periodic pension costs	(10,751,244)	5,839,963
Increase in unrestricted net assets	1,306,428	3,830,342
Unrestricted net assets		
Beginning of year	141,738,900	137,908,558
End of year	$ 143,045,328	$ 141,738,900
Temporarily restricted net assets		
Income from investments	$ 357,100	$ 321,776
Net assets released from restrictions	(585,753)	(570,911)
Contributions received	161,666	229,693
Change in value of irrevocable trust	488,575	(152,473)
Net realized and unrealized gains/(losses) on investments	1,877,872	(286,646)
Increase/(decrease) in temporarily restricted net assets	2,299,460	(458,561)
Temporarily restricted net assets		
Beginning of year	17,792,779	18,251,340
End of year	$ 20,092,239	$ 17,792,779
Permanently restricted net assets		
Change in value of funds held in trust by others	$ 354,949	$ (140,467)
Increase/(Decrease) in permanently restricted net assets	354,949	(140,467)
Permanently restricted net assets		
Beginning of year	5,509,858	5,650,325
End of year	$ 5,864,807	$ 5,509,858
Increase in net assets	$ 3,960,837	$ 3,231,314

The accompanying notes are an integral part of these consolidated financial statements.

Lawrence & Memorial Hospital
Consolidated Statements of Cash Flows
Years Ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 3,960,837	$ 3,231,314
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	18,825,589	17,199,566
Receipt of contributed securities	(845,675)	(169,303)
Net unrealized and realized (gain)losses/ on investments	(12,785,921)	7,312,953
Provision for bad debts	12,114,319	14,356,474
(Increase)/decrease in funds held in trust by others	(843,487)	268,116
(Increase)/decrease in contributions receivable	(38)	25,764
Changes in other operating accounts		
Patient accounts receivable, net	(10,577,581)	(13,897,544)
Other receivables, net	(13,490,272)	1,766,753
Inventories	58,547	(731,931)
Due from affiliates	(61,638)	5,665,315
Prepaid expenses and other current assets	(264,772)	(115,191)
Deferred financing costs and other assets	81,329	(608,468)
Accounts payable	4,239,453	3,283,709
Accrued vacation and sick pay	578,119	485,356
Salaries, wages, payroll taxes and amounts withheld from employees	761,990	(1,897,321)
Due to affiliates	507,253	(2,850,156)
Due to third party payors	(2,428,532)	(721,022)
Pension, postretirement and other liabilities	11,547,267	(6,773,827)
Net cash provided by operating activities	11,376,787	25,830,557
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(34,257,462)	(29,122,958)
Purchase of investments	(66,467,708)	(81,028,014)
Sales of investments	63,569,041	67,264,473
(Increase)Decrease in debt service fund	(197,218)	138,140
Income from temporarily and permanently restricted investments	845,675	169,303
Decrease in funds held in escrow	245	4,908,797
Net cash (used in) investing activities	(36,507,427)	(37,670,259)
Cash flows from financing activities		
Principal payments of long term debt	(2,957,189)	(2,926,158)
Proceeds of long term debt	-	23,402,948
Net cash provided by/(used in) financing activities	(2,957,189)	20,476,790
Net increase in cash and cash equivalents	(28,087,829)	8,637,088
Cash and cash equivalents		
Beginning of year	41,797,328	33,160,240
End of year	$ 13,709,499	$ 41,797,328
Supplemental disclosure of noncash activities		
Construction in process included in accounts payable	$ 3,126,751	$ 1,644,565
Contributed securities	$ 845,675	$ 169,303

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies and Organization

Organization
Lawrence & Memorial Hospital (the "Hospital"), a nonprofit organization incorporated under the General Statutes of the State of Connecticut, is a wholly-owned subsidiary of Lawrence & Memorial Corporation (the "Corporation"). The Board of the Corporation elects a Board of Directors who manages the property and affairs of the Hospital.

Principles of Consolidation
The consolidated financial statements include the accounts of the Hospital and its wholly owned subsidiary, Associated Specialists of Southeastern Connecticut, Inc. ("Associated Specialists"). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates and there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The Hospital's significant estimates include the collectibility of patient accounts receivable, useful lives of fixed assets, estimated settlements due to third party payors, estimated reserves for self-insurance liabilities, and benefit plan assumptions.

Regulatory Matters
The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access ("OHCA").

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital and its subsidiary in perpetuity or in funds held in trust by others whose purpose is for the funds to be maintained in perpetuity.

Donor Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions in the accompanying consolidated statements of operations.

Cash and Cash Equivalents
The Hospital and its subsidiary consider all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Investments
Investments in equity and debt securities are recorded at fair value in the balance sheet. Fair value is generally determined based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are included in the change in net assets.

Realized and unrealized gains and losses on donor restricted endowment funds are included in temporarily restricted net assets under State law which allows the Board to appropriate as much of the net appreciation of investments as is prudent considering the Hospital's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends and general economic conditions.

Investments in limited liability companies are accounted for using the equity method in instances where the limited partner's interest is more than minor (3-5%).

Fair Value Measurements
Fair value guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Hospital for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets in active markets, quoted prices in markets that are not active, or can be corroborated by observable market data for substantially the same term of the assets.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Assets Held in Trust by Others
The Hospital has been named sole or participating beneficiary in several perpetual and charitable remainder trusts. Under the terms of these trusts, the Hospital has the irrevocable right to receive the income earned on the trust assets in perpetuity from the perpetual trusts and to receive the remainder of the trust assets for the charitable remainder trusts. For perpetual trusts, the estimated present value of the future payments to the Hospital is recorded at the fair value of the assets held in the trust. The charitable remainder trusts are recorded at the present value of the estimated future distributions expected to be received over the expected term of the trust agreement. The Hospital uses appropriate credit adjusted rates.

Assets Limited as to Use
Assets limited as to use include assets set aside by the Board of Directors to fund the deductible portion of malpractice insurance coverage (maintained in an irrevocable trust), contribution receivables and for the established purpose of providing for future improvement, expansion and replacement of plant and equipment. In addition, funds held in trust by others, unexpended bond proceeds for construction purposes, and assets held by trustees under indenture agreements relating to financing activities with the State of Connecticut Health and Education Facilities Authority ("CHEFA") are also included therein.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost, or, if received as a donation, at the fair value on the date received. The Hospital provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their useful lives. American Hospital Association lives are generally used and provide for a 2-25 year life for land improvements, 5-50 year life for buildings and 2-25 year life for equipment. Lease improvements are amortized over the life of the lease.

Nonoperating Gains and Losses
Activities other than in connection with providing health care services are considered to be nonoperating.

Excess of Revenues Over Expenses
The consolidated statements of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from the excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and pension-related charges other than periodic pension costs and other postretirement benefits liabilities.

Fair Value of Financial Instruments
Certain investments and other assets and liabilities are carried at amounts that approximate fair value based on current market conditions. The fair value of long-term debt is estimated based on the quoted market prices for the same or similar issues or on current rates offered to the Hospital for debt of the same remaining maturities.

Benefit Plans
The Hospital has a defined benefit plan and a defined contribution plan (see Note 8).

Medical Malpractice Self-Insurance
The Hospital purchases claims made-based professional and general liability insurance to cover medical malpractice claims from L & M Indemnity, Ltd. The Hospital has adopted the policy of self-insuring the tail coverage portion of its malpractice insurance coverage. Management has accrued the estimate of losses anticipated to be incurred.

Income Taxes
The Hospital and its wholly owned subsidiary, Associated Specialists are not-for-profit organizations and are exempt from federal income taxes on related income under Section 501(c) (3) of the Internal Revenue Code.

Inventories
Inventory consists of supplies, both medical and general pharmaceuticals and food products needed to sustain daily operation of patient care. Inventories are carried at the lower of cost or market under the first-in-first-out (FIFO) method.

Impairment of Long-Lived Assets
Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to dispose.

Accrued Vacation and Sick Pay
Accrued vacation is recorded as a liability as time is earned. As the time is used, the time is relieved from the liability. Accrued sick time is recorded as a percent for employees who have a balance greater than or equal to 800 hours. This payout is only upon termination of employment.

Subsequent Events
The Hospital has performed an evaluation of subsequent events through December 14, 2012, which is the date the financial statements were issued.

2. Revenues from Services to Patients and Charity Care

The following summarizes net revenues from services to patients:

	2012	2011
Gross charges from services to patients	$ 704,064,528	$ 666,081,059
Less: Charity care	5,735,971	6,368,501
Charges from services to patients, net of charity care	698,328,557	659,712,558
Deductions		
Allowances	371,629,305	336,363,800
State of Connecticut uncompensated care system (receipts)	(2,579,127)	(1,926,932)
Total deductions	369,050,178	334,436,868
Net revenues from services to patients	$ 329,278,379	$ 325,275,690

Patient accounts receivable and revenues are recorded when patient services are performed. Amounts received from most payors are different from established billing rates of the Hospital, and these differences are accounted for as allowances. The Hospital receives cash from the State of Connecticut Uncompensated Care Pool. The Hospital records this as an increase to their net revenues from services to patients.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments related to prior year settlements increased the Hospital's revenues by approximately $4,271,085 and $3,852,000 in 2012 and 2011, respectively.

During 2012 and 2011, approximately 33% and 32%, respectively, of net patient service revenue was received under the Medicare program, and 11% and 12%, respectively, under the state Medicaid program. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and reductions of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes the generally recognized federal poverty income guidelines, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenues for financial reporting purposes.

3. Investments

Investments at September 30 consist of:

	2012	2011
Pooled endowment funds		
Cash and cash equivalents	$ 311,567	$ 249,730
Bonds	3,160,572	2,593,730
Hedge funds	4,181,924	3,885,010
Private equities	39,230	-
Marketable equities	7,550,356	7,670,418
Other investments	1,007,727	-
Total pooled endowment funds	16,251,376	14,398,888
Investments held in trust by others		
Cash and cash equivalents	1,280,176	140,077
Bonds	1,838,337	2,814,055
Marketable equities	2,901,652	2,389,834
Other investments	431,255	263,967
Total investments held in trust by others	6,451,420	5,607,933
Other investments		
Cash and cash equivalents	1,195,140	1,225,923
Bonds	42,457,428	23,780,506
Hedge funds	41,256,677	38,360,365
Private equities	375,256	80,000
Other investments	14,306	14,117
Marketable equities	53,134,831	42,443,131
Total other investments	138,433,638	105,904,042
	$ 161,136,434	$ 125,910,863

The Hospital's financial instrument categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table presents the financial instruments carried at fair value using the valuation hierarchy:

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
Pooled endowment funds				
Cash and cash equivalents	$ 311,567	$ -	$ -	$ 311,567
Bonds	3,160,572	-	-	3,160,572
Hedge funds	-	-	4,181,924	4,181,924
Private equities	-	-	39,230	39,230
Marketable equities	7,550,356	-	-	7,550,356
Other investments	1,007,727	-	-	1,007,727
Total pooled endowment funds	12,030,222	-	4,221,154	16,251,376
Held in trust by others				
Cash and cash equivalents	-	-	1,280,176	1,280,176
Bonds	-	-	1,838,337	1,838,337
Marketable equities	-	-	-	-
Other investments	-	-	3,332,907	3,332,907
Total held in trust by others	-	-	6,451,420	6,451,420
Other investments				
Cash and cash equivalents	1,195,140	-	-	1,195,140
Bonds	42,457,428	-	-	42,457,428
Hedge funds	-	-	41,256,677	41,256,677
Private equities	-	-	375,256	375,256
Marketable equities	53,134,831	-	-	53,134,831
Other investments	-	-	14,306	14,306
Total other investments	96,787,399	-	41,646,239	138,433,636
	$ 108,817,621	$ -	$ 52,318,813	$ 161,136,434

	2011			
	Level 1	Level 2	Level 3	Total Fair Value
Pooled endowment funds				
Cash and cash equivalents	$ 249,730	$ -	$ -	$ 249,730
Bonds	2,593,731	-	-	2,593,731
Hedge funds	-	-	3,805,010	3,805,010
Private equities	-	-	80,000	80,000
Marketable equities	7,670,418	-	-	7,670,418
Total pooled endowment funds	10,513,879	-	3,885,010	14,398,889
Held in trust by others				
Cash and cash equivalents	-	-	140,077	140,077
Bonds	-	-	2,814,054	2,814,054
Marketable equities	-	-	2,653,801	2,653,801
Total held in trust by others	-	-	5,607,932	5,607,932
Other investments				
Cash and cash equivalents	1,225,923	-	-	1,225,923
Bonds	23,780,506	-	-	23,780,506
Hedge funds	-	-	38,440,365	38,440,365
Marketable equities	42,443,929	-	-	42,443,929
Other investments	-	-	13,319	13,319
Total other investments	67,450,358	-	38,453,684	105,904,042
	$ 77,964,237	$ -	$ 47,946,626	$ 125,910,863

Fair value for Level 1 is based upon quoted prices in active markets that the Hospital has the ability to access at the measurement date. Market price data is generally obtained from exchange or dealer markets. The Hospital does not adjust the quoted price for such assets.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all and reflect assumptions based on the best information available in the circumstances.

Investments included in Level 3 primarily consist of the Hospital's ownership in alternative investments (principally limited partnership interests in hedge funds). The value of these alternative investments represents the ownership interest in the net asset value ("NAV") of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. Also included in Level 3 investments are charitable remainder trusts held by third parties which are recorded at the present value of the future distributions expected to be received over the term of the agreement.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a roll forward of the amounts by investment type for financial instruments classified by the Hospital within Level 3 of the fair value hierarchy defined above:

	Beginning October 1, 2011	Investment Income	Realized Gains	Unrealized Gains	Investment Fees	Purchases	Sales	Ending September 30, 2012
Investment pool								
Hedge funds	$ 42,245,375	$ 315,117	$ 1,708,475	$ 1,268,208	$ (148,707)	$ 9,810,217	$ (9,760,082)	$ 45,438,601
Private equities	$ 80,000	$ -	$ -	$ -	$ -	$ 334,466	$ -	$ 414,466
Funds held in trust	5,607,932	-	-	843,488	-	-	-	6,451,420
Total	$ 47,933,307	$ 315,117	$ 1,708,475	$ 2,111,694	$ (148,707)	$ 10,144,703	$ (9,760,082)	$ 52,304,507

	Beginning October 1, 2010	Investment Income	Realized Gains	Unrealized (Losses)	Investment Fees	Purchases	Sales	Ending September 30, 2011
Investment pool								
Hedge funds	$ 39,948,468	$ 274,823	$ 290,825	$ (158,547)	$ (99,615)	$ 1,989,421	$ -	$ 42,245,375
Private equities	$ -	$ -	$ -	$ -	$ -	$ 80,000	$ -	$ 80,000
Funds held in trust	5,876,049	-	-	(268,117)	-	-	-	5,607,932
Total	$ 45,824,517	$ 274,823	$ 290,825	$ (426,664)	$ (99,615)	$ 2,069,421	$ -	$ 47,933,307

A summary of the pooled endowment investment return is presented below:

	2012	2011
Investment income	$ 268,586	$ 304,147
Realized and unrealized gains/(losses)	1,877,871	(286,648)
Management fees and other costs	(27,226)	(35,237)
Total return on pooled endowment investments	$ 2,119,231	$ (17,738)

Following is additional information related to funds whose fair value is not readily determinable as of September 30, 2012.

	Strategy	Fair Value	# of Investments	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions	Restrictions in Place at Year End
Equity securities	Global developed and emerging market equity	$ 9,875,245	1	N/A	$ -	No remaining commitments	Monthly with 10 day's notice	None	None
Absolute return	Long/short and long-biased equity and credit hedge funds	12,808,973	1	N/A	-	No remaining commitments	Annual with 90 day's notice	lock up provision of 12 months from the purchase date	None
Directional hedge	Long/short and long-biased equity and credit hedge funds	18,417,344	1	N/A	-	No remaining commitments	Quarterly with 60 day's notice	lock up provision of 25 months from the purchase date	None
Commodities	Commodity index	4,039,039	1	N/A	-	No remaining commitments	Monthly with 5 day's notice	None	None
Private equity	Private equity	414,486	2	N/A	1,736,155	Illiquid long term 5 years	None	None	None
		$ 45,553,087							

4. Endowments

The Hospital's endowment consists of donor restricted endowment funds for a variety of purposes. The net assets associated with endowment funds including funds designated by the Board of Directors to function as endowments are classified and reported based on the existence or absence of donor imposed restrictions.

The Hospital understands net asset classification guidance requires that donor restricted endowment gifts be maintained in perpetuity. Consistent with net asset classification guidance, the Hospital classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Hospital considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The purposes of the Hospital and donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Hospital.
- The investment policies of the Hospital.

Changes in endowment net assets for year ended September 30:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ -	$ 11,788,979	$ 2,839,683	$ 14,628,662
Investment return				
Investment income	-	91,840	-	91,840
Net realized and unrealized gain/(losses)	-	1,877,872	-	1,877,872
Total investment return	-	1,969,712	-	1,969,712
Income distribution	-	(125,255)	-	(125,255)
Endowment net assets at end of year	$ -	$ 13,633,436	$ 2,839,683	$ 16,473,119

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ -	$ 12,134,604	$ 2,839,683	$ 14,974,287
Investment return				
Investment income	-	114,203	-	114,203
Net realized and unrealized (losses)/gains	-	(286,646)	-	(286,646)
Total investment return	-	(172,443)	-	(172,443)
Income distribution	-	(173,182)	-	(173,182)
Endowment net assets at end of year	$ -	$ 11,788,979	$ 2,839,683	$ 14,628,662

The portion of perpetual endowment funds retained permanently either by explicit donor stipulation or by net asset classification guidance is summarized as follows:

	2012	2011
Temporarily restricted net assets		
Unspent income and appreciation on permanently restricted endowments for purchase of equipment and healthcare services	$ 13,633,436	$ 11,788,979
Total endowment funds classified as temporarily restricted net assets	$ 13,633,436	$ 11,788,979
Permanently restricted net assets		
Corpus of permanently restricted contributions for purchase of equipment and healthcare services	$ 2,839,683	$ 2,839,683
Total endowment funds classified as permanently restricted net assets	$ 2,839,683	$ 2,839,683

Endowment Funds With Deficits
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist they are classified as a reduction of unrestricted net assets.

Endowment Investment Return Objectives and Risk Parameters
The Hospital has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets measured over a full market cycle shall be to maximize the return against a blended index, based on the endowment's target asset allocation applied to the appropriate individual benchmarks.

Strategies Employed for Achieving Endowment Investment Objectives
To achieve its long-term rate of return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The Hospital targets a diversified asset allocation to achieve its long-term objectives within prudent Hospital risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

Spending is guided by several factors most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for grants and operating expenses up to 4.5% of the value of the Funds' assets based on a 12 quarter rolling average for the endowment, Kitchings and operating funds. The Hospital will designate the spending amount on an as-needed basis for the special account.

Investment managers are given ample notice of the required withdrawal schedule. Appropriate liquidity is maintained to fund these withdrawals without impairing the investment process.

5. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	2012	2011
Funds held in trust by others	$ 3,448,102	$ 2,959,565
Contributions receivable	20,366	20,328
Free beds and plant replacement and expansion	13,633,436	11,788,979
Specific purpose reserves	2,990,335	3,023,907
	$ 20,092,239	$ 17,792,779

Permanently restricted net assets at September 30 are restricted to:

	2012	2011
Funds held in trust by others	$ 3,025,124	$ 2,670,175
Donor restricted endowment funds	2,839,683	2,839,683
	$ 5,864,807	$ 5,509,858

6. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	2012	2011
Land and land improvements	$ 6,573,393	$ 6,506,216
Buildings	114,978,768	111,446,370
Equipment	215,747,098	203,329,727
	337,299,259	321,282,313
Less: Accumulated depreciation	(224,709,996)	(210,414,909)
	112,589,263	110,867,404
Construction in progress (estimated cost to complete at September 30, 2012 is $53,058,174)	22,337,285	10,109,457
	$ 134,926,548	$ 120,976,861

7. **Long-Term Debt**

	2012	2011
CHEFA Series F Revenue Bonds		
Various rate bonds, due 2012 to 2026	$ 36,250,000	$ 39,135,000
5.0% Term Bonds, due 2027 to 2031	8,705,000	8,705,000
5.0% Term Bonds, due 2032 to 2036	11,100,000	11,100,000
CHEFA Series E revenue bonds		
Variable rate bonds, due 2023-2034	22,990,000	22,990,000
Capital lease obligation	448,826	405,373
Total long-term debt outstanding	79,493,826	82,335,373
Less: Amounts classified as current	2,762,007	2,976,493
Add: Bond premium	2,775,398	2,891,040
Total long-term portion of long-term debt	$ 79,507,217	$ 82,249,920

On September 15, 2011 CHEFA issued $58,940,000 of Series F Bonds (the "Series F Bonds") on behalf of the Hospital and the Corporation (collectively referred to as the "Obligated Group" under the Series F Bond agreements). The Series F Bonds are structured with a term bond due July 1, 2036, with annual sinking fund payments due each July 1st commencing July 1, 2012. Interest on the Series F Bonds is payable semiannually on the first business day of January 1 and July 1 beginning January 1, 2012.

The proceeds of the Series F Bonds will be used to refund the outstanding Authority Revenue Bonds, Lawrence & Memorial Hospital Issue, Series D (the "Series D Bonds") and to fund all or a portion of the following capital projects: (i) replacement of a linear accelerator on the main campus of the Hospital; (ii) capital improvements for infrastructure renovation and improvement on the main campus, including heating, ventilation, and air conditioning project; (iii) replacement of a catheterization lab and equipment on the main campus; (iv) acquisition of approximately 100 acres of land in Waterford, Connecticut for development of a new cancer center ; and (v) acquisition and installation of Magnetic Resonance Imaging ("MRI") and CT equipment at the Crossroads facility

On June 24, 2004 CHEFA issued $22,990,000 of Series E Bonds (the "Series E Bonds") on behalf of the Hospital and Lawrence & Memorial Corporation (collectively referred to as the "Obligated Group" under the Series E Bond agreement). The Series E Bonds are structured with a term bond due July 1, 2034, with annual sinking fund payments due each July 1st commencing July 1, 2023. Interest on the Series E Bonds accrues at the weekly rate and is payable on the first business day of each month commencing July 1, 2004.

The proceeds of the Series E Bonds were used to finance the acquisition, construction, capital improvements, renovation, and/or equipping of the expansion of the Hospital's Pequot Health Center, including a new 37,000 square foot building addition to house an ambulatory surgery unit, MRI series, and mobile medical technologies. The proceeds were also used to fund the debt service reserve fund and costs related to the issuance and interest related to the Series E Bonds. Under the terms of the trust indenture for the Series E Bonds, the Obligated Group is required to meet certain financial covenants including a debt service coverage ratio and days cash on hand ratio. Members of the Obligated Group are jointly and severally obligated to provide amounts

sufficient to enable the Authority to pay principal and interest on the Series E Bonds. The Bonds and bond proceeds have been allocated to the Hospital and as such, the Hospital will make future debt service payments as required under the terms of the bonds.

The bonds may be retired at an earlier date pursuant to terms of the master indenture. Payment of the bonds is collateralized by a pledge of the gross receipts, as defined and certain real property of the Hospital.

Effective January 16, 2008, the Hospital refinanced its CHEFA Series E bonds with JPMorgan Chase Bank, N.A. This reoffering does not update information contained in the original official statement but provides a new letter of credit, which expires in January 2013.

The Series E Bonds are considered variable rate demand bonds and are remarketed on a weekly basis. If the bonds are unable to be remarketed, the letter of credit could be utilized to purchase the bonds. The Obligated Group would then be subject to the payment terms of the letter of credit, which are equal quarterly installments beginning in the first quarter that is at least 367 days after the initial draw down on the letter of credit. The Series E Bonds have been successfully remarketed and there have been no draws on the letter of credit.

In accordance with the long-term loan agreement with CHEFA, certain trusteed funds are required to be maintained. These funds provide for debt service and other related payments. The income derived from these funds is required to be reinvested in the trusteed funds and is not available for current operating purposes.

The agreements will remain in force until principal and interest on the bonds and any other costs of the Authority with respect to the project have been fully paid or provided for. Annual payments due under the loan agreements include interest on the outstanding bonds.

The fair value of the Series E Bonds, using discounted cash flow analyses approximates carrying value at September 30, 2012 and 2011. The fair value of the Series 2011F Bonds using discounted cash flows was $62,036,108.50 and $58,940,000.00 for years ending September 30, 2012 and September 30, 2011 respectively

Principal repayments on the CHEFA bonds are as follows:

Years	Annual Principal Repayment
2013	$ 2,625,000
2014	2,725,000
2015	2,835,000
2016	2,975,000
2017 and thereafter	67,885,000
	$ 79,045,000

The Hospital made cash interest payments of $2,118,293 and $2,178,800 in fiscal year 2012 and 2011, respectively. No interest was capitalized during 2012 or 2011.

8. Pension and Other Postretirement Benefits

The Hospital has a defined benefit plan covering all employees who elected to stay in the Plan. The Plan is frozen to new participants as of June 30, 1999. The benefits are based on years of service and the employee's compensation during the last five years of employment. Assets of the Plan include mutual funds, marketable equity securities, corporate and government bonds, notes and hedge funds. The investments have been selected to generate a return on the investments and protect the principal.

The Hospital provides health care and life insurance benefits to its retired employees who meet certain eligibility requirements. The Hospital's policy is to fund the cost of postretirement benefits other than pension as incurred. This plan was frozen to include only those employees who retired prior to May 1, 1994.

The following table sets forth the Plans' funded status and amounts recognized in the consolidated statements of financial position at September 30, 2012 and 2011 (measurement date of September 30):

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in benefit obligation				
Benefit obligation at beginning of year	$ 126,663,537	$ 131,200,922	$ 1,167,001	$ 1,277,520
Service cost	1,555,388	1,941,270	-	-
Interest cost	6,610,881	6,505,871	59,302	59,018
Employee contributions	118,336	153,401	-	-
Benefits paid	(6,214,539)	(5,255,985)	(124,024)	(120,183)
Actuarial loss/(gain)	18,467,849	(7,891,942)	186,929	(49,354)
Benefit obligation at end of year	147,201,452	126,663,537	1,289,208	1,167,001
Change in plan assets				
Fair value of plan assets at beginning of year	85,487,585	81,387,819	-	-
Actual return on plan assets	11,886,927	2,092,350	-	-
Employee contributions	118,336	153,401	-	-
Employer contributions	7,020,000	7,100,000	124,024	120,183
Benefits paid	(6,214,539)	(5,255,985)	(124,024)	(120,183)
Fair value of plan assets at end of year	98,298,309	85,487,585	-	-
Funded status of the plan	(48,903,143)	(41,175,952)	(1,289,208)	(1,167,001)

The cumlative amount of these adjustments reported as net assets in the consolidated statements of financial position at September 30th, 2012 and 2011 include:

Unrecognized net loss/(gain) from past experience different from that assumed and effects of changes in assumptions	42,795,831	31,903,948	(289,506)	(526,034)
Unrecognized prior service cost	330,949	471,588	-	-
Accrued benefit costs recognized in the statements of financial position	$ (5,776,363)	$ (8,800,416)	$ (1,578,714)	$ (1,693,035)
Components of net periodic benefit costs				
Service cost	$ 1,555,388	$ 1,941,270	$ -	$ -
Interest cost	6,610,881	6,505,871	59,302	59,018
Expected return on plan assets	(6,465,227)	(6,950,835)	-	-
Amortization of net loss/(gain)	2,164,266	2,581,545	(49,599)	(55,084)
Net amortization and deferral	140,839	124,961	-	-
Benefit cost	$ 3,995,947	$ 4,302,812	$ 9,703	$ 3,934

The weighted average assumptions used to determine the net benefit cost at the beginning of the year are as follows:

	2012	2011
Discount rate	5.34 %	5.07 %
Average rate of compensation increases	3.50 %	4.25 %
Expected return on assets	7.50 %	8.50 %

The weighted average assumptions used to determine the benefit obligation at the end of the year are as follows:

	2012	2011
Discount rate	3.95 %	5.34 %
Average rate of compensation increases	2.50 %	3.50 %

The Plan's asset allocations as of September 30, 2012 and 2011 are as follows:

Asset Category	2012	2011
Cash	5 %	5 %
Bonds	29	30
Hedge funds	29	31
Marketable equities	37	34
Total	100 %	100 %

The expected rate of return on assets is calculated based on past experience.

Expected benefits to be paid under the Plans are as follows:

Fiscal Years Beginning October 1,	Expected Benefits
2012	$ 6,507,731
2013	6,713,876
2014	6,982,706
2015	7,173,109
2016	7,566,083
Expected aggregate for 5 fiscal years beginning 2017	41,508,308

Annual contributions are determined by the Hospital based upon calculations prepared by the Plan's actuary. Expected contributions to the Pension and Retiree Health Plan for 2013 are approximately:

Pension	$ 4,800,000
Retiree health	125,931

The weighted-average annual assumed rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rate) for participants is assumed to be 9.0% in 2011 reducing to 5.0% by the year 2016 and remaining at that level thereafter. This health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a one percentage point increase in the assumed health care cost trend rate would increase the accumulated post-retirement benefit obligation and service cost plus interest cost by approximately $97,000 and $84,000, respectively, at September 30, 2012 and 2011. A one percentage point decrease in the assumed health care cost trend rate would decrease the accumulated postretirement benefit obligation and service cost plus interest cost by approximately $88,000 and $77,000, respectively, at September 30, 2012 and 2011.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the Hospital's investments as described in Note 1.

The following table summarizes the fair values of investments by major type held by the staff pension plan at September 30, 2012:

	Level 1	Level 2	Level 3	2012
Investments, at fair value				
Cash	$ 4,711,241	$ -	$ -	$ 4,711,241
Bonds	28,278,732	-	-	28,278,732
Hedge funds	-	-	28,795,536	28,795,536
Marketable equities	32,342,939	4,169,861	-	36,512,800
Total investments, at fair value	$ 65,332,912	$ 4,169,861	$ 28,795,536	$ 98,298,309

The following table summarizes the fair values of investments by major type held by the staff pension health plan at September 30, 2011:

	Level 1	Level 2	Level 3	2011
Investments, at fair value				
Cash	$ 3,847,979	$ -	$ -	$ 3,847,979
Bonds	25,779,769	-	-	25,779,769
Hedge funds	-	-	26,524,387	26,524,387
Marketable equities	26,050,106	3,285,344	-	29,335,450
Total investments, at fair value	$ 55,677,854	$ 3,285,344	$ 26,524,387	$ 85,487,585

There were no transfers between levels comparing last to this year for assets that are in the portfolio.

The table below represents the change in fair value measurements for Level 3 investments held by the staff pension plans' years ended September 30, 2012 and 2011, respectively:

	2012	2011
Beginning balances	$ 26,524,387	$ 24,333,144
Realized gains	144,819	25,446
Fees	(54,861)	(57,862)
Unrealized gains	2,181,191	223,659
Purchases	5,475,369	2,000,000
Sales	(5,475,369)	-
Ending balances	$ 28,795,536	$ 26,524,387

The investment objective for the pension and post retirement plans seeks a positive long-term total return after inflation to meet the Hospital's current and future plan obligations.

Asset allocations for both plans combine tested theory and informed market judgment to balance investment risks with the need for high returns.

The Hospital's 401(k) plan covers eligible employees who elect to participate in the Plan. Eligible employees may contribute a percentage of their salary to the Plan. The Hospital matches 100% of the first 4% of gross pay deferred by employees for those employees who do not participate in the defined benefit plan. Plan contributions charged to operations were approximately $3,911,714 and $3,677,042 for 2012 and 2011, respectively.

9. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including pediatric care, cardiac catheterization, and outpatient surgery. Expenses by function are as follows:

	2012	2011
Health care services	$ 249,658,098	$ 246,193,019
General and administrative	78,382,764	77,940,078
	$ 328,040,862	$ 324,133,097

10. Contingencies

The Hospital is a party to various lawsuits incidental to its business. Management believes that the lawsuits will not have a material adverse effect on the Hospital's financial position, results of operations, changes in net assets or cash flows.

Lawrence & Memorial Hospital
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 13,568,654	$ 140,845	$ -	$ 13,709,499
Investments	138,433,638	-	-	138,433,638
Patient accounts receivable, net	28,719,548	227,045	-	28,946,593
Other receivables	17,392,589	96,141	-	17,488,730
Inventories	4,469,470	-	-	4,469,470
Due from affiliates	808,442	-	(168,643)	639,799
Prepaid expenses and other current assets	2,004,576	-	-	2,004,576
Debt service fund	1,307,110	-	-	1,307,110
Total current assets	206,704,027	464,031	(168,643)	206,999,415
Assets limited as to use				
Cash	180,789	-	-	180,789
Construction funds	-	-	-	-
Investments held in trust	971,261	-	-	971,261
Endowment investments	16,251,376	-	-	16,251,376
Funds held in trust by others	6,451,420	-	-	6,451,420
Contributions receivable	20,366	-	-	20,366
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,125	-	-	2,247,125
Total assets limited as to use	26,122,337	-	-	26,122,337
Other assets				
Deferred financing costs	1,857,504	-	-	1,857,504
Property, plant and equipment	134,926,548	-	-	134,926,548
Total assets	$ 369,610,416	$ 464,031	$ (168,643)	$ 369,905,804

DOHP1748

Lawrence & Memorial Hospital
Consolidating Balance Sheet
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Liabilities				
Current liabilities				
Accounts payable	$ 25,447,380	$ -	$ -	$ 25,447,380
Accrued vacation and sick pay	11,282,391	1,001,539	-	12,283,930
Salaries, wages,payroll taxes and amounts withheld from employees	3,600,791	287,097	-	3,887,888
Due to affiliates	2,421,244	168,643	(168,643)	2,421,244
Due to third party payors	5,409,556	-	-	5,409,556
Current portion of long-term debt	2,762,007	-	-	2,762,007
Total current liabilities	50,923,369	1,457,279	(168,643)	52,212,005
Accrued pension and other postretirement benefits	51,185,800	-	-	51,185,800
Other liabilities	17,998,408	-	-	17,998,408
Long-term debt, less current portion	79,507,217	-	-	79,507,217
Total liabilities	199,614,794	1,457,279	(168,643)	200,903,430
Net assets				
Unrestricted	144,038,576	(993,248)	-	143,045,328
Temporarily restricted	20,092,239	-	-	20,092,239
Permanently restricted	5,864,807	-	-	5,864,807
Total net assets	169,995,622	(993,248)	-	169,002,374
	$ 369,610,416	$ 464,031	$ (168,643)	$ 369,905,804

DOHP1749

Lawrence & Memorial Hospital
Consolidating Balance Sheet
September 30, 2011

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Assets				
Current assets				
Cash and cash equivalents	$ 39,933,225	$ 1,864,103	$ -	$ 41,797,328
Investments	105,904,042	-	-	105,904,042
Patient accounts receivable, net	29,920,862	562,469	-	30,483,331
Other receivables	3,881,712	116,746	-	3,998,458
Inventories	4,528,017	-	-	4,528,017
Due from affiliates	2,441,664	-	(1,863,503)	578,161
Prepaid expenses and other current assets	1,739,804	-	-	1,739,804
Debt service fund	1,109,892	-	-	1,109,892
Total current assets	189,459,218	2,543,318	(1,863,503)	190,139,033
Assets limited as to use				
Cash	179,900	-	-	179,900
Construction funds	8,427,695	-	-	8,427,695
Investments held in trust	11,241,951	-	-	11,241,951
Endowment investments	14,398,888	-	-	14,398,888
Funds held in trust by others	5,607,933	-	-	5,607,933
Contributions receivable	20,328	-	-	20,328
Funds held in escrow by agreement with State of Connecticut Health and Educational Facilities Authority and trustees	2,247,370	-	-	2,247,370
Total assets limited as to use	42,124,065	-	-	42,124,065
Other assets				
Deferred financing costs	1,938,833	-	-	1,938,833
Property, plant and equipment	120,976,861	-	-	120,976,861
Total assets	$ 354,498,977	$ 2,543,318	$ (1,863,503)	$ 355,178,792

DOHP1750

Lawrence & Memorial Hospital
Consolidating Balance Sheet
September 30, 2011

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Liabilities				
Current liabilities				
Accounts payable	$ 22,689,860	$ 253	$ -	$ 22,690,113
Salaries, wages,payroll taxes and amounts withheld from employees	10,661,313	1,044,498	-	11,705,811
Due to third party payors	2,751,697	374,201	-	3,125,898
Due to affiliates	1,913,991	1,863,503	(1,863,503)	1,913,991
Due to third party payors	7,838,088	-	-	7,838,088
Current portion of long-term debt	2,976,493	-	-	2,976,493
Total current liabilities	48,831,442	3,282,455	(1,863,503)	50,250,394
Accrued pension and other postretirement benefits	43,423,221	-	-	43,423,221
Other liabilities	14,213,720	-	-	14,213,720
Long-term debt, less current portion	82,249,920	-	-	82,249,920
Total liabilities	188,718,303	3,282,455	(1,863,503)	190,137,255
Net assets				
Unrestricted	142,478,037	(739,137)	-	141,738,900
Temporarily restricted	17,792,779	-	-	17,792,779
Permanently restricted	5,509,858	-	-	5,509,858
Total net assets	165,780,674	(739,137)	-	165,041,537
	$ 354,498,977	$ 2,543,318	$ (1,863,503)	$ 355,178,792

DOHP1751

Lawrence & Memorial Hospital
Consolidating Statement of Operations
September 30, 2012

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Net revenues	$ 323,643,197	$ 5,635,182	$ -	$ 329,278,379
Other operating revenues	15,433,709	463,708	(4,619,500)	11,277,917
Net assets released from restriction	449,575	-	-	449,575
	339,526,481	6,098,890	(4,619,500)	341,005,871
Operating expenses				
Salaries and wages	145,714,028	7,343,347	(144,638)	152,912,737
Employee benefits	41,915,487	1,443,717	(1,236,367)	42,122,837
Supplies	46,209,962	38,536	-	46,248,498
Purchased services	23,582,645	3,652,113	(2,611,015)	24,623,743
Other	27,700,394	1,804,233	(627,480)	28,877,147
Interest	2,315,992	-	-	2,315,992
Depreciation and amortization	18,825,589	-	-	18,825,589
Bad debts	11,930,619	183,700	-	12,114,319
	318,194,716	14,465,646	(4,619,500)	328,040,862
Income from operations	21,331,765	(8,366,756)	-	12,965,009
Nonoperating gains and losses				
Unrestricted income	160,370	-	-	160,370
Income/(loss) from investments	4,424,194	-	-	4,424,194
Loss on refinancing of debt				-
	4,584,564	-	-	4,584,564
Excess of revenues over expenses	25,916,329	(8,366,756)	-	17,549,573
Transfer to affiliate	(25,044,177)	8,112,643	-	(16,931,534)
Net unrealized (losses)/gains on investments	11,303,455	-	-	11,303,455
Net assets released from restriction used for the purchase of property, plant and equipment	136,178	-	-	136,178
Minimum pension liability adjustment	(10,751,244)	-	-	(10,751,244)
Decrease in unrestricted net assets	$ 1,560,541	$ (254,113)	$ -	$ 1,306,428

DOHP1752

Lawrence & Memorial Hospital
Consolidating Statement of Operations
September 30, 2011

	Lawrence & Memorial Hospital	Associated Specialists of Connecticut	Eliminating Entities	Consolidated
Net revenues	$ 318,813,210	$ 6,462,480	$ -	$ 325,275,690
Other operating revenues	15,662,907	33,290	(4,604,995)	11,091,202
Net assets released from restriction	394,829	-	-	394,829
	334,870,946	6,495,770	(4,604,995)	336,761,721
Operating expenses				
Salaries and wages	141,165,650	8,910,864	(123,102)	149,953,412
Employee benefits	41,723,413	1,535,471	(1,273,100)	41,985,784
Supplies	45,855,424	49,333	-	45,904,757
Purchased services	22,304,506	3,688,219	(2,518,051)	23,474,674
Other	28,005,159	1,731,832	(690,742)	29,046,249
Interest	2,212,181	-	-	2,212,181
Depreciation and amortization	17,199,566	-	-	17,199,566
Bad debts	13,865,210	491,264	-	14,356,474
	312,331,109	16,406,983	(4,604,995)	324,133,097
Income from operations	22,539,837	(9,911,213)	-	12,628,624
Nonoperating gains and losses				
Unrestricted income	171,387	-	-	171,387
Income/(loss) from investments	5,993,369	-	-	5,993,369
Loss on refinancing of debt	(2,026,984)	-	-	(2,026,984)
	4,137,772	-	-	4,137,772
Excess of revenues over expenses	26,677,609	(9,911,213)	-	16,766,396
Transfer to affiliate	(21,650,647)	8,980,572	-	(12,670,075)
Net unrealized (losses)/gains on investments	(6,282,024)	-	-	(6,282,024)
Net assets released from restriction used for the purchase of property, plant and equipment	176,082	-	-	176,082
Minimum pension liability adjustment	5,839,963	-	-	5,839,963
Decrease in unrestricted net assets	$ 4,760,983	$ (930,641)	$ -	$ 3,830,342

DOHP1753

YNHHSC

"PUBLIC DISCLOSURE REQUIREMENTS"

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning OCT 1, 2013 and ending SEP 30, 2014

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
YALE NEW HAVEN HEALTH SERVICES CORP

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 789 HOWARD AVENUE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code NEW HAVEN, CT 06519

F Name and address of principal officer: MARNA BORGSTROM
789 HOWARD AVE, NEW HAVEN, CT 06519

D Employer identification number
22-2529464

E Telephone number
203-688-6088

G Gross receipts $ 432,585,984.

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)( )◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.YNHHS.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1983

M State of legal domicile: CT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TO PROMOTE CHARITABLE, SCIENTIFIC AND EDUCATIONAL ACTIVITIES.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	1806
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,116,439.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	150,011.

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	0.	0.
9	Program service revenue (Part VIII, line 2g)	387,841,378.	395,737,998.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	311,462.	-29,912.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	39,207,900.	15,214,660.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	427,360,740.	410,922,746.
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	272,775.	200,400.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	173,002,912.	194,214,752.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	218,847,572.	195,894,742.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	392,123,259.	390,309,894.
19	Revenue less expenses. Subtract line 18 from line 12	35,237,481.	20,612,852.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	418,035,060.	1,363,045,860.
21	Total liabilities (Part X, line 26)	323,282,233.	1,213,053,903.
22	Net assets or fund balances. Subtract line 21 from line 20	94,752,827.	149,991,957.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ JAMES STATEN, TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Christopher B. Beggs	Preparer's signature: Christopher B. Beggs	Date: 8-17-15	Check ☐ if self-employed	PTIN: P00032493
Firm's name ▶ ERNST & YOUNG U.S., LLP			Firm's EIN ▶	34-6565596
Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204			Phone no.	317-681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
TO PROMOTE CHARITABLE, SCIENTIFIC AND EDUCATIONAL ACTIVITIES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ..... ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ..... ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 330,318,357. including grants of $ 200,400.) (Revenue $ 409,836,219.)

SEE SCHEDULE O

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 330,318,357.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	272			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1806			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*			3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	18		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6			X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a			X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

KEITH TANDLER - 203-688-9642
789 HOWARD AVE, NEW HAVEN, CT 06519

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARNA BORGSTROM	16.00									
PRESIDENT & CEO	24.00	X		X				1,057,471.	1,586,207.	753,728.
(2) VINCENT CALARCO	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(3) JOSEPH CRESPO	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(4) NEIL DEFEO	1.00									
DIRECTOR	0.00	X						0.	0.	0.
(5) MARY FARRELL	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(6) MICHAEL FLYNN -THRU 10/4/13	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(7) ROBERT HAVERSAT-THRU 10/4/13	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(8) THOMAS KETCHUM	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(9) JOHN LAHEY	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(10) MARVIN LENDER	1.00									
VICE CHAIRMAN	2.00	X						0.	0.	0.
(11) F. PATRICK MCFADDEN JR.-THRU 10	1.00									
VICE CHAIRMAN	0.00	X						0.	0.	0.
(12) JULIA MCNAMARA	1.00									
CHAIRWOMAN	2.00	X						0.	0.	0.
(13) DANIEL MIGLIO	1.00									
DIRECTOR	0.00	X						0.	0.	0.
(14) BARBARA MILLER	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(15) DANIEL MOSLEY	1.00									
DIRECTOR	4.00	X						0.	0.	0.
(16) RONALD NOREN	1.00									
DIRECTOR	3.00	X						0.	0.	0.
(17) BENJAMIN POLAK	1.00									
DIRECTOR	0.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MEREDITH REUBEN	1.00									
DIRECTOR	4.00	X						0.	0.	0.
(19) PETER SOLVEY	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(20) ELLIOT SUSSMAN	1.00									
DIRECTOR	0.00	X						0.	0.	0.
(21) JAMES TORGERSON	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(22) STEPHEN ALLEGRETTO	2.00									
VP	38.00			X				528,414.	18,373.	176,759.
(23) WILLIAM ASELTYNE	26.00									
SR. VP	14.00			X				155,726.	622,905.	232,850.
(24) DANIEL BARCHI	24.00									
SR. VP	16.00			X				77,405.	696,644.	267,528.
(25) GAYLE CAPOZZALO	24.00									
EXECUTIVE VP	16.00			X				523,093.	784,640.	189,700.
(26) EUGENE COLUCCI	2.00									
VP	38.00			X				29,188.	554,570.	192,153.
1b Sub-total ▶								2,371,297.	4,263,339.	1,812,718.
c Total from continuation sheets to Part VII, Section A ▶								5,752,934.	11,931,328.	4,328,132.
d Total (add lines 1b and 1c) ▶								8,124,231.	16,194,667.	6,140,850.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 381

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
EPIC SYSTEMS CORPORATION 1979 MILKY WAY, VERONA, WI 53593	CONSULTING	14,808,702.
BEACON PARTNERS INC, 97 LIBERTY PKWY, STE 400, WEYMOUTH, MA 02189	CONSULTING	6,149,249.
DELOITTE & TOUCHE, LLP PO BOX 12001, DALLAS, TX 75312	CONSULTING	5,660,813.
PARKER STAFFING SERVICES, 818 STEWART STREET, STE 1210, SEATTLE, WA 98101	STAFFING SERVICES	3,288,325.
ORCHESTRATE HEALTHCARE 225 MAIN STREET, CARBONDALE, CO 81623	CONSULTING	3,130,148.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 88

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) FRANK COT[illegible]O	10.00									
EXECUTIVE [illegible]	30.00			X				315,484.	946,453.	158,792.
(28) RIC[illegible] AQUILA	10.00									
EXECUTIVE [illegible]	30.00			X				404,640.	1,213,917.	408,016.
(29) MICHAEL DIMENSTEIN	4.00									
VP	36.00			X				39,314.	397,516.	153,657.
(30) WILLIAM GEDGE	28.00									
SR. VP	12.00			X				555,904.	238,245.	248,100.
(31) PE[illegible]ERT	16.00									
SR.	24.00			X				596,680.	895,018.	73,714.
(32) [illegible]ILLIAM [illegible]INGS	10.00									
EXECUTIVE VP	30.00			X				246,538.	739,612.	306,935.
(33) NANCY LEVITT ROSENTHAL	1.00									
VP	39.00			X				0.	412,497.	136,869.
(34) PATRICK MCCABE	6.00									
SR. VP	34.00			X				97,429.	552,095.	218,262.
(35) KEVIN MYATT	16.00									
SR. VP	24.00			X				306,003.	459,004.	246,783.
(36) JAMES MORRIS	2.00									
VP	38.00			X				15,411.	369,892.	133,947.
(37) ROBERT NORDGREN	1.00									
SR. VP	39.00			X				0.	573,350.	166,029.
(38) CHRISTOPHER O'CONNOR	16.00									
EXECUTIVE VP & COO	24.00			X				325,721.	488,581.	318,373.
(39) VINCENT PETRINI	1.00									
SR. VP	39.00			X				0.	569,586.	189,661.
(40) CAROLYN SALSGIVER	1.00									
VP	39.00			X				0.	352,320.	141,938.
(41) JOHN SKELLY	0.00									
VP	40.00			X				0.	578,095.	187,263.
(42) JAMES STATEN	16.00									
EXECUTIVE VP	24.00			X				528,996.	793,494.	363,666.
(43) VINCENT TAMMARO	4.00									
SR. VP	36.00			X				68,349.	515,826.	197,248.
(44) MELISSA TURNER	1.00									
VP	39.00			X				0.	354,275.	123,711.
(45) DAVID WURCEL	1.00									
VP	39.00			X				0.	553,952.	178,504.
(46) JOSEPH BISSON	40.00									
VP	0.00					X		353,490.	0.	90,694.
Total to Part VII, Section A, line 1c										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(47) STEPHEN CARBERY	40.00									
VP	0.00					X		374,455.	0.	82,207.
(48) RICHARD LISITANO	40.00									
VP	0.00					X		426,796.	0.	91,013.
(49) PAMELA SCAGLIARINI	40.00									
VP	0.00					X		414,313.	0.	81,001.
(50) RICHARD STAHL	40.00									
VP	0.00					X		627,965.	0.	31,749.
(51) MARK ANDERSEN	0.00									
FORMER OFFICER	0.00						X	55,446.	0.	0.
(52) QUINTON FRIESEN	0.00									
FORMER OFFICER	0.00						X	0.	659,893.	0.
(53) JOSEPH JANELL	0.00									
FORMER OFFICER	0.00						X	0.	267,707.	0.
(54) ROBERT TREFRY	0.00									
FORMER OFFICER	0.00						X	0.	0.	0.
Total to Part VII, Section A, line 1c								5,752,934.	11,931,328	4,328,132.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a-1f					
			Business Code				
Program Service Revenue	2 a	MANAGEMENT SERVICES	900099	260,564,120.	260,117,563.	446,557.	
	b	MANAGEMENT SERVICES-EPIC	621990	41,273,251.	41,273,251.		
	c	INSURANCE PREMIUMS	900099	41,095,923.	41,095,923.		
	d	SYSTEM SUPPORT SERVICES	900099	39,875,577.	39,739,441.	136,136.	
	e	EMERGENCY PREPAREDNESS PROGRAM	900099	12,699,885.	12,699,885.		
	f	All other program service revenue	900099	229,242.	229,242.		
	g	**Total.** Add lines 2a-2f		395,737,998.			
	3	Investment income (including dividends, interest, and other similar amounts)		37,608.			37,608.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6 a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7 a	Gross amount from sales of assets other than inventory	21,595,718.				
	b	Less: cost or other basis and sales expenses	21,663,238.				
	c	Gain or (loss)	-67,520.				
	d	Net gain or (loss)			-67,520.		-67,520.
Other Revenue	8 a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10 a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11 a	PHYSICIAN INTEGRATION REVENUE	900099	12,118,780.	12,118,780.		
	b	OTHER INCOME	900099	2,562,134.	2,562,134.		
	c	EMERGENCY PREP/OTHR SERVICES	621990	533,746.		533,746.	
	d	All other revenue					
	e	**Total.** Add lines 11a-11d		15,214,660.			
	12	**Total revenue.** See instructions.		410,922,746.	409,836,219.	1,116,439.	-29,912.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ... X

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	200,400.	200,400.		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	7,495,503.		7,495,503.	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	145,211,958.	129,801,342.	15,410,616.	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,618,731.	6,475,921.	1,142,810.	
9	Other employee benefits	24,003,591.	20,403,052.	3,600,539.	
10	Payroll taxes	9,884,969.	8,402,224.	1,482,745.	
11	Fees for services (non-employees):				
a	Management				
b	Legal	7,728,079.		7,728,079.	
c	Accounting	269,476.		269,476.	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	49,147,468.	41,775,348.	7,372,120.	
12	Advertising and promotion				
13	Office expenses	671,785.	571,017.	100,768.	
14	Information technology				
15	Royalties				
16	Occupancy	34,700,198.	29,495,169.	5,205,029.	
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	2,210,652.	1,879,054.	331,598.	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	57,227,512.	48,643,385.	8,584,127.	
23	Insurance	35,637,477.	35,637,477.		
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	TELEPHONE & DATA COMMUN	5,410,656.	4,599,058.	811,598.	
b	DUES, FEES & MEMBERSHIP	1,740,574.	1,479,488.	261,086.	
c	CLINICAL PROGRAM & MISC	756,450.	648,206.	108,244.	
d	COMMUNITY ACTIVITY/OTHE	247,352.	182,213.	65,139.	
e	All other expenses	147,063.	125,003.	22,060.	
25	**Total functional expenses.** Add lines 1 through 24e	390,309,894.	330,318,357.	59,991,537.	0.
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	16,323,382.	2	13,239,630.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	97,784,032.	4	1,002,539,739.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	6,746,800.	9	29,539,360.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 322,316,989.			
	b	Less: accumulated depreciation — 10b: 151,914,846.	217,459,967.	10c	170,402,143.
	11	Investments - publicly traded securities	3,924,715.	11	8,119,479.
	12	Investments - other securities. See Part IV, line 11	75,796,164.	12	87,155,404.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	52,050,105.
	15	Other assets. See Part IV, line 11		15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	418,035,060.	16	1,363,045,860.
Liabilities	17	Accounts payable and accrued expenses	98,895,830.	17	83,237,716.
	18	Grants payable		18	
	19	Deferred revenue	188,102,588.	19	163,851,856.
	20	Tax-exempt bond liabilities		20	885,198,103.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	36,283,815.	25	80,766,228.
	26	**Total liabilities.** Add lines 17 through 25	323,282,233.	26	1,213,053,903.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	94,752,827.	27	149,991,957.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	94,752,827.	33	149,991,957.
	34	Total liabilities and net assets/fund balances	418,035,060.	34	1,363,045,860.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ... X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	410,922,746.
2	Total expenses (must equal Part IX, column (A), line 25)	2	390,309,894.
3	Revenue less expenses. Subtract line 2 from line 1	3	20,612,852.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	94,752,827.
5	Net unrealized gains (losses) on investments	5	85,811.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	34,540,467.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	149,991,957.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ...

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
YALE NEW HAVEN HEALTH SERVICES CORP	22-2529464

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☒ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	X
(ii)	A family member of a person described in (i) above?	11g(ii)	X
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	X

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of monetary support
YALE-NEW HAVEN HOSPIT	06-0646652	3	X						0.
BRIDGEPORT HOSPITAL	06-0646554	3	X						0.
GREENWICH HOSPITAL	06-0646659	3	X						0.
NORTHEAST MEDICAL GROU	06-1330992	9	X						47,183,195.
Total 4									47,183,195.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number
22-2529464

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	3a(i)	
(ii)	related organizations	3a(ii)	
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		2,117,614.	856,430.	1,261,184.
d Equipment		319,537,309.	151,058,416.	168,478,893.
e Other		662,066.		662,066.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				170,402,143.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENT IN		
(B) MCIC-VERMONT	75,451,819.	COST
(C) INVESTMENT IN YALE		
(D) ENDOWMENT FUND	183,971.	END-OF-YEAR MARKET VALUE
(E) CASH SURRENDER VALUE OF		
(F) LIFE INSURANCE	11,451,825.	END-OF-YEAR MARKET VALUE
(G) ALTERNATIVE INVESTMENTS	2,615.	END-OF-YEAR MARKET VALUE
(H) INVESTMENT IN NEPC	65,174.	COST
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	87,155,404.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
Total. (Form 990, Part X, col. (B) line 13.) ▶		

Part IX

ation answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) PROFESSIONAL LIABILITY INSURANCE	11,775,175.
(3) ACCRUED SUPPLEMENTAL RETIREMENT	26,209,164.
(4) ACQUISITION CONTINGENT LIABILITY	5,000,000.
(5) RETRO INSURANCE CREDIT	8,146,162.
(6) INTEREST RATE SWAP	29,635,727.
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	80,766,228.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number

22-2529464

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ..... [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NAACP NEW HAVEN BRANCH 545 WHALLEY AVE NEW HAVEN, CT 06511	06-6099313	501(C)(4)	18,500.	0.			SPONSORSHIP
NEW HAVEN INTERNATIONAL FESTIVAL 195 CHURCH STREET NEW HAVEN, CT 06511	06-1444222	501(C)(3)	15,000.	0.			SPONSORSHIP
ACHIEVEMENT FIRST 403 JAMES STREET NEW HAVEN, CT 06511	65-1203744	501(C)(3)	10,000.	0.			SUPPORT MISSION
VISITING NURSE ASSOCIATION SOUTH ONE LONG WHARF DRIVE NEW HAVEN, CT 06511	06-0646941	501(C)(3)	10,000.	0.			SUPPORT MISSION
ANTI DEFAMATION LEAGUE WHITNEY AVE NEW HAVEN, CT 06511	13-1818723	501(C)(3)	10,000.	0.			SPONSORSHIP
BEULAH HEIGHT SOCIAL INTEGRATION 782 ORCHARD STREET NEW HAVEN, CT 06511	06-1290930	501(C)(3)	7,500.	0.			SPONSORSHIP

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... ▶ 24.

3 Enter total number of other organizations listed in the line 1 table ..... ▶ 1.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2013)

DOHP1777

332101
10-29-13

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION 7272 GREENVILLE AVE DALLAS, TX 75231	13-5613797	501(C)(3)	5,000.	0.			SUPPORT MISSION
THE C.H.A.I.N. FUND 234 SHERMAN AVE, C25 MERIDEN, CT 06450	52-2375279	501(C)(3)	5,000.	0.			SUPPORT MISSION
PROMISING SCHOLARSHIP FUND INC 44 UPPER STATE STREET NORTH HAVEN, CT 06473	80-0112325	501(C)(3)	10,000.	0.			SUPPORT MISSION
BEULAH LAND DEVELOPMENT 774 ORCHARD STREET NEW HAVEN, CT 06511	06-1419774	501(C)(3)	10,000.	0.			SUPPORT MISSION
CT STATE MISSIONARY BAPTIST CONVENT - 10 CHERRY DRIVE - DANBURY, CT 06812	06-1421410	501(C)(3)	6,500.	0.			SUPPORT MISSION
EASTER SEALS GOODWILL 95 HAMILTON STREET NEW HAVEN, CT 06511	23-7431264	501(C)(3)	5,400.	0.			SUPPORT MISSION
CITY SEED 817 GRAND AVENUE NEW HAVEN, CT 06511	83-0397621	501(C)(3)	5,000.	0.			SUPPORT MISSION
LEEWAY INC 40 ALBERTS ST NEW HAVEN, CT 06511	22-3065487	501(C)(3)	5,000.	0.			SUPPORT MISSION
CITY OF NEW HAVEN 165 CHURCH STREET NEW HAVEN, CT 06511		GOVERNEMENT	10,000.	0.			SUPPORT MISSION

DOHP1778

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CHAPEL WEST SPECIAL SERVICES 1205 CHAPEL STREET NEW HAVEN, CT 06511		GOVERNEMENT	10,000.	0.			SUPPORT MISSION
CORNELL HILL SCOTT CORPORATION 400-428 COLUMBUS AVE NEW HAVEN, CT 06519	06-0870990	501(C)(3)	10,000.	0.			SUPPORT MISSION
EAST END COMMUNITY COUNCIL 1149 STRATFORD AVE BRIDGEPORT, CT 06607	06-1614075	501(C)(3)	5,000.	0.			SUPPORT MISSION
FIRST CALVERY BAPTISH CHURCH 609 DIXWELL AVE NEW HAVEN, CT 06511	06-1173497	501(C)(3)	5,000.	0.			SUPPORT MISSION
LIFE HAVEN 153 EAST STREET NEW HAVEN, CT 06511	22-2513519	501(C)(3)	5,000.	0.			SUPPORT MISSION
CHRISTIAN COMMUNITY ACTION INC 168 DAVENPORT AVE NEW HAVEN, CT 06519	06-0941885	501(C)(3)	5,000.	0.			SUPPORT MISSION
LOVE CHRISTIAN ACADEMY 729 UNION AVE BRIDGEPORT, CT 06607	06-1448782	501(C)(3)	5,000.	0.			SUPPORT MISSION
NEW HAVEN PUBLIC LIBRARY 133 ELM STREET NEW HAVEN, CT 06510	06-1283798	501(C)(3)	5,000.	0.			SUPPORT MISSION
POLICE ACTIVITY LEAGUE OF NEW HAVEN - 1 UNION AVE - NEW HAVEN, CT 06519	47-1212812	501(C)(3)	5,000.	0.			SUPPORT MISSION

DOHP1779

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UNITED WAY OF GREATER NEW HAVEN 370 JAMES STREET, STE 403 NEW HAVEN, CT 06519	06-0646761	501(C)(3)	12,500.	0.			SUPPORT MISSION

DOHP1780

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS. THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION. YALE NEW HAVEN HEALTHCARE SERVICES CORPORATION ("HSC") CARRIES OUT DUE DILIGENCE IN PROVIDING MONETARY ASSISTANCE ONLY TO QUALIFYING 501(C)3 ORGANIZATIONS THAT COMPLEMENT ITS MISSION OR SUPPORT THE GREATER GOOD IN THE COMMUNITIES SERVED.

HSC VERIFIES EACH ORGANIZATION'S EIN AS LISTED ON IRS FORM W-9 THAT HAS

DOHP1781

Part IV Supplemental Information

BEEN SUBMITTED TO HSC. ASSISTANCE DONATED BY HSC TO THESE QUALIFYING ORGANIZATIONS IS NOT OUTCOMES-BASED AND IS GIVEN IN SUPPORT OF AN INDIVIDUAL ORGANIZATION'S FUNDRAISING EVENTS OR IN SUPPORT OF DIRECT SERVICES. HSC MAINTAINS FULL AND COMPLETE RECORDS OF ALL MONETARY ASSISTANCE PROVIDED, HOWEVER DOES NOT MONITOR SPECIFIC FUNDS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARNA BORGSTROM	(i)	658,423.	377,328.	21,720.	265,958.	35,533.	1,358,962.	0.
PRESIDENT & CEO	(ii)	987,634.	565,993.	32,580.	398,937.	53,300.	2,038,444.	0.
(2) STEPHEN ALLEGRETTO	(i)	363,214.	100,519.	64,681.	155,234.	15,586.	699,234.	26,137.
VP	(ii)	12,629.	3,495.	2,249.	5,397.	542.	24,312.	808.
(3) WILLIAM ASELTYNE	(i)	107,626.	29,798.	18,302.	41,193.	5,377.	202,296.	0.
SR. VP	(ii)	430,504.	119,192.	73,209.	164,774.	21,506.	809,185.	0.
(4) DANIEL BARCHI	(i)	52,969.	17,945.	6,491.	21,670.	5,083.	104,158.	0.
SR. VP	(ii)	476,721.	161,505.	58,418.	195,032.	45,743.	937,419.	0.
(5) GAYLE CAPOZZALO	(i)	263,471.	92,006.	167,616.	57,460.	18,420.	598,973.	0.
EXECUTIVE VP	(ii)	395,207.	138,009.	251,424.	86,190.	27,630.	898,460.	0.
(6) EUGENE COLUCCI	(i)	20,088.	5,578.	3,522.	8,543.	1,065.	38,796.	2,210.
VP	(ii)	381,669.	105,979.	66,922.	162,315.	20,230.	737,115.	41,989.
(7) FRANK CORVINO	(i)	208,091.	98,496.	8,897.	34,413.	5,285.	355,182.	4,540.
EXECUTIVE VP	(ii)	624,273.	295,489.	26,691.	103,238.	15,856.	1,065,547.	13,621.
(8) RICHARD D'AQUILA	(i)	266,395.	99,418.	38,827.	96,233.	5,771.	506,644.	4,514.
EXECUTIVE VP	(ii)	799,184.	298,253.	116,480.	288,700.	17,312.	1,519,929.	13,543.
(9) MICHAEL DIMENSTEIN	(i)	25,804.	7,572.	5,938.	10,923.	2,906.	53,143.	0.
VP	(ii)	260,911.	76,564.	60,041.	110,443.	29,385.	537,344.	0.
(10) WILLIAM GEDGE	(i)	367,341.	136,706.	51,857.	160,174.	13,496.	729,574.	0.
SR. VP	(ii)	157,432.	58,588.	22,225.	68,646.	5,784.	312,675.	0.
(11) PETER HERBERT	(i)	306,683.	95,623.	194,374.	8,060.	21,426.	626,166.	0.
SR. VP	(ii)	460,024.	143,434.	291,560.	12,090.	32,138.	939,246.	0.
(12) WILLIAM JENNINGS	(i)	169,352.	58,633.	18,553.	64,212.	12,520.	323,270.	0.
EXECUTIVE VP	(ii)	508,055.	175,899.	55,658.	192,644.	37,559.	969,815.	0.
(13) NANCY LEVITT-ROSENTHAL	(i)	0.	0.	0.	0.	0.	0.	0.
VP	(ii)	296,690.	77,331.	38,476.	132,522.	4,347.	549,366.	0.
(14) PATRICK MCCABE	(i)	70,786.	17,265.	9,378.	29,651.	3,088.	130,168.	4,638.
SR. VP	(ii)	401,120.	97,832.	53,143.	168,023.	17,500.	737,618.	26,280.
(15) KEVIN MYATT	(i)	195,717.	72,783.	37,503.	87,586.	11,128.	404,717.	0.
SR. VP	(ii)	293,576.	109,174.	56,254.	131,378.	16,691.	607,073.	0.
(16) JAMES MORRIS	(i)	10,601.	2,843.	1,967.	4,518.	840.	20,769.	0.
VP	(ii)	254,435.	68,241.	47,216.	108,437.	20,152.	498,481.	0.

DOHP1784

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) ROBERT NORDGREN	(i)	0.	0.	0.	0.	0.	0.	0.
SR. VP	(ii)	407,367.	113,705.	52,278.	144,692.	21,337.	739,379.	1,568.
(18) CHRISTOPHER O'CONNOR	(i)	290,957.	16,280.	18,484.	107,134.	20,215.	453,070.	0.
EXECUTIVE VP & COO	(ii)	436,435.	24,420.	27,726.	160,702.	30,322.	679,605.	0.
(19) VINCENT PETRINI	(i)	0.	0.	0.	0.	0.	0.	0.
SR. VP	(ii)	373,039.	128,289.	68,258.	156,080.	33,581.	759,247.	0.
(20) CAROLYN SALSGIVER	(i)	0.	0.	0.	0.	0.	0.	0.
VP	(ii)	242,593.	62,705.	47,022.	116,146.	25,792.	494,258.	0.
(21) JOHN SKELLY	(i)	0.	0.	0.	0.	0.	0.	0.
VP	(ii)	408,026.	100,765.	69,304.	163,996.	23,267.	765,358.	9,357.
(22) JAMES STATEN	(i)	377,308.	115,136.	36,552.	136,948.	8,518.	674,462.	16,673.
EXECUTIVE VP	(ii)	565,962.	172,704.	54,828.	205,423.	12,777.	1,011,694.	25,010.
(23) VINCENT TAMMARO	(i)	48,368.	12,616.	7,365.	19,861.	3,217.	91,427.	0.
SR. VP	(ii)	365,033.	95,213.	55,580.	149,888.	24,282.	689,996.	0.
(24) MELISSA TURNER	(i)	0.	0.	0.	0.	0.	0.	0.
VP	(ii)	245,211.	62,965.	46,099.	100,368.	23,343.	477,986.	0.
(25) DAVID WURCEL	(i)	0.	0.	0.	0.	0.	0.	0.
VP	(ii)	374,723.	110,574.	68,655.	164,147.	14,357.	732,456.	3,026.
(26) JOSEPH BISSON	(i)	321,985.	0.	31,505.	46,150.	44,544.	444,184.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(27) STEPHEN CARBERY	(i)	250,967.	72,136.	51,352.	60,473.	21,734.	456,662.	13,826.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(28) RICHARD LISITANO	(i)	283,275.	83,544.	59,977.	68,650.	22,363.	517,809.	6,219.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(29) PAMELA SCAGLIARINI	(i)	288,637.	76,124.	49,552.	60,600.	20,401.	495,314.	9,312.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(30) RICHARD STAHL	(i)	428,381.	110,792.	88,792.	22,650.	9,099.	659,714.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(31) MARK ANDERSEN	(i)	0.	0.	55,446.	0.	0.	55,446.	55,446.
FORMER OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(32) QUINTON FRIESEN	(i)	0.	0.	0.	0.	0.	0.	0.
FORMER OFFICER	(ii)	0.	117,663.	542,230.	0.	0.	659,893.	520,569.

DOHP1785

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(33) JOSEPH JANELL	(i)	0.	0.	0.	0.	0.	0.	0.
FORMER OFFICER	(ii)	0.	0.	267,707.	0.	0.	267,707.	264,750.
(34) ROBERT TREFRY	(i)	0.	0.	0.	0.	0.	0.	0.
FORMER OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
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DOHP1786

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B:

THE INDIVIDUALS LISTED BELOW ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION)AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS THAT HAVE NOT YET BEEN VESTED CONSISTENT WITH THE COMPENSATION REPORTING PER IRS.

	SEVERANCE	NONQUALIFIED	EQUITY-BASED
MARNA P. BORGSTROM	-	$370,245	-
RICHARD D'AQUILA	-	218,016	-
JAMES M. STATEN	-	185,221	-
CHRISTOPHER O'CONNOR	-	166,274	-
WILLIAM A.JENNINGS	-	139,208	-
WILLIAM S.GEDGE	-	120,170	-
DANIEL BARCHI	-	115,052	-
KEVIN A.MYATT	-	113,328	-
WILLIAM J.ASELTYNE	-	108,317	-
PATRICK MCCABE	-	91,524	-
EUGENE J.COLUCCI	-	86,208	-

DOHP1787

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

JOHN SKELLY	-	85,346	-
STEPHEN ALLEGRETTO	-	82,275	-
ROBERT NORDGREN	-	82,059	-
DAVID WURCEL	-	80,497	-
VINCENT PETRINI	-	78,018	-
VINCENT TAMMARO	-	76,599	-
NANCY LEVITT-ROSENTHAL	-	64,872	-
MICHAEL DIMENSTEIN	-	62,716	-
JAMES B.MORRIS	-	56,305	-
CAROLYN SALSGIVER	-	55,496	-
MELISSA TURNER	-	53,317	-

THE INDIVIDUALS LISTED BELOW BECAME VESTED IN BENEFITS VALUED AT THE AMOUNT RESPECTIVELY REPORTED BELOW DURING THE REPORTING YEAR. INCLUDED IN SECTION II, COLUMN B (III) ARE AMOUNTS VESTED DURING THE 2013 CALENDAR YEAR THAT WERE RECOGNIZED AS TAXABLE EVENTS AND REPORTED IN THE INDIVIDUALS' 2013 CALENDAR YEAR FORM W-2.

	SEVERANCE	NONQUALIFIED	EQUITY-BASED
PETER HERBERT	-	$ 390,067	-

DOHP1788

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

GAYLE CAPOZZALO - $ 322,870 -

FOUR FORMER OFFICERS, ROBERT TREFRY, MARK ANDERSEN, JOSEPH JANNEL AND QUINTON FRIESEN RECEIVED PAYMENTS FROM THE NONQUALIFIED PLAN. THESE AMOUNTS ARE NOT INCLUDED IN COLUMN B OR C. THE FOLLOWING PAYMENTS WERE MADE DIRECTLY TO THEM FROM THE TRUST:

ROBERT TREFRY	$216,182
QUINTON FRIESEN	$127,684
MARK ANDERSEN	$ 83,767
JOSEPH JANELL	$ 33,365

THE SUPPLEMENTAL RETIREMENT INCOME PLAN (SRIP) IS DESIGNED TO ENSURE THE PAYMENT OF A COMPETITIVE LEVEL OF RETIREMENT INCOME WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME IN ORDER TO ATTRACT AND RETAIN KEY MANAGEMENT EMPLOYEES SERVING AS CORPORATE OFFICERS. THE PLAN PROVIDES SUPPLEMENTAL RETIREMENT INCOME THROUGH AN UNFUNDED, NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT UNDER SECTION 457(F) AND THROUGH A DEFERRED COMPENSATION PLAN UNDER SECTION 409A OF THE INTERNAL REVENUE CODE AND A MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES' PLAN UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA).

DOHP1789

Part III | **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 7:

THE SHORT TERM INCENTIVE PLAN (STIP) IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF MANAGEMENT IN RECOGNITION OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES. PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES. INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY. PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES.

DOHP1790

ENTITY 1

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization
YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number
22-2529464

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	CHEFA - SERIES A	06-0806186	20774YQY6	06/24/14	102,300,000.	REFUND- M		X		X		X
B	CHEFA - SERIES B	06-0806186	20774YQP5	06/24/14	168,275,000.	REFUND- J-1		X		X		X
C	CHEFA - SERIES C	06-0806186	20774YRV1	06/24/14	83,625,000.	REFUND- K-1,K-2		X		X		X
D	CHEFA - SERIES D	06-0806186	20774YQM2	06/24/14	108,275,000.	REFUND- L-1,L-2		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	122,995,448.	176,848,421.	90,435,635.	109,088,097.
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,461,826.	1,470,421.	710,635.	808,810.
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	121,533,632.	175,378,000.	89,725,000.	108,279,287.
12	Other unspent proceeds				
13	Year of substantial completion	2014	2014	2014	2014

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X	X		X	
15	Were the bonds issued as part of an advance refunding issue?	X		X			X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

DOHP1791

ENTITY 2

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization
YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number
22-2529464

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CHEFA - SERIES E	06-0806186	20774YQN0	06/24/14	80,935,000.	CONSTRUCTION PROJECT		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	92,331,918.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	1,173,121.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	62,166,628.			
11	Other spent proceeds				
12	Other unspent proceeds	28,992,169.			
13	Year of substantial completion				

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?		X						
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

DOHP1792

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	.03 %		.03 %		.02 %		.41 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	.03 %		.03 %		.02 %		.41 %	
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		X

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X		X		X	
b Exception to rebate?		X		X		X		X
c No rebate due?		X		X		X		X
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X	X		X		X	
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X		X		X	
b Name of provider			BARCLAYS BANK & JP		GOLDMAN SASHS CAPIT		BARCLAYS BANK	
c Term of hedge			35.0000000		11.0000000		22.0000000	
d Was the hedge superintegrated?				X		X		X
e Was the hedge terminated?				X		X		X

DOHP1793

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?		X						
c No rebate due?		X						
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

DOHP1794

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?								

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

DOHP1795

SEE PART VI SUPPLEMENTAL INFORMATION SHEET

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?								

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

ON JUNE 24, 2014 YALE NEW HAVEN HEALTH SERVICES CORPORATION ("CORPORATION") ISSUED APPROXIMATELY $543M OF CHEFA REVENUE BONDS SERIES A, B, C, D & E. CONCURRENT WITH THE ISSUANCE OF THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY (CHEFA) REVENUE BONDS, YALE-NEW HAVEN HEALTH OBLIGATED GROUP ISSUE, SERIES A, B, C, D AND E DATED MAY 20, 2014; SIX MEMBERS OF THE SYSTEM WERE COMBINED TO FORM AN OBLIGATED GROUP. THE OBLIGATED GROUP COMPRISES OF THE CORPORATION, YALE-NEW HAVEN HOSPITAL, YALE NEW HAVEN CARE CONTINUUM CORPORATION, BRIDGEPORT HOSPITAL, BRIDGEPORT HOSPITAL FOUNDATION, INC., AND NORTHEAST MEDICAL GROUP, INC. THE MEMBERS OF THE OBLIGATED GROUP HAVE ADOPTED CERTAIN GOVERNANCE PROVISIONS IN THEIR CERTIFICATES OF INCORPORATION AND BY-LAWS PURSUANT TO WHICH YALE NEW HAVEN HEALTH SERVICES, CORPORATION RETAINS THE AUTHORITY TO DIRECTLY TAKE CERTAIN ACTIONS ON BEHALF OF EACH OBLIGATED GROUP MEMBER WITHOUT THE APPROVAL OF THE BOARD OF TRUSTEES OF THE APPLICABLE OBLIGATED GROUP MEMBER, INCLUDING THE INCURRENCE OF INDEBTEDNESS ON BEHALF OF EACH OBLIGATED GROUP MEMBER, THE MANAGEMENT AND CONTROL OF THE LIQUID ASSETS OF EACH, AND THE APPOINTMENT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF EACH OBLIGATED GROUP MEMBER. GHCS AND ITS SUBSIDIARIES ARE PART OF THE SYSTEM, BUT THEY ARE NOT MEMBERS OF THE OBLIGATED GROUP.

PART II LINE 3
THE DIFFERENCE BETWEEN THE ISSUE PRICE REPORTED ON PART I, COLUMN (E) AND TOTAL PROCEEDS REPORTED ON PART II, LINE 3 IS DUE TO EITHER

SEE PART VI SUPPLEMENTAL INFORMATION SHEET

DOHP1796

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

INVESTMENT EARNINGS OR PREMIUM RECEIVED FROM PURCHASER.

PART III LINE 3B
THE ORGANIZATION HAS IN-HOUSE LEGAL STAFF WHO PROVIDE ROUTINE REVIEW OF MANAGEMENT OR SERVICE CONTRACTS OR RESEARCH AGREEMENTS RELATING TO THE FINANCED PROPERTY TO ENSURE THAT SUCH AGREEMENTS ARE COMPLIANT WITH APPLICABLE SAFE HARBORS. IN-HOUSE COUNSEL CONSULT WITH THE HOSPITAL'S OUTSIDE BOND COUNSEL AS NEEDED, INCLUDING ON NON-ROUTINE ISSUES.

PART III, LINE 9
THE ORGANIZATION HAS POLICIES AND PROCEDURES IN PLACE TO ENSURE COMPLIANCE WITH FEDERAL TAX LAW, AND TO TIMELY IDENTIFY NONCOMPLIANCE. IN THE EVENT OF NON-COMPLIANCE THE ORGANIZATION WOULD INVOLVE ITS LEGAL COUNSEL TO ADVISE REGARDING APPROPRIATE REMEDIATION.

DOHP1797

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization

YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number

22-2529464

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) No
Total					▶ $							

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
CENTURY FINANCIAL SERVICES	SEE SCHEDULE O	1,044,605.	SEE PART V		X
UNITED ILLUMINATING CO.	SEE SCHEDULE O	135,952.	SEE PART V		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

PART IV - BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

PART IV, COLUMN D

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

NAME OF INTERESTED PERSON: CENTURY FINANCIAL SERVICES, INC.

OFFICERS EUGENE J. COLUCCI, PATRICK MCCABE AND DAVID WURCEL ARE OFFICERS AND/OR DIRECTORS OF CENTURY FINANCIAL SERVICES, INC., WHICH PROVIDES BILLING AND COLLECTION SERVICES FOR AND IS PARTIALLY OWNED BY YALE-NEW HAVEN HEALTH SERVICES CORPORATION.

AMOUNT OF TRANSACTION: $1,044,605

NAME OF INTERESTED PERSON: UNITED ILLUMINATING CO.

TRUSTEES DANIEL J. MIGLIO AND JOHN L. LAHEY AND OFFICER JAMES TORGERSON ARE DIRECTORS OF UIL HOLDINGS CORPORATION, THE PARENT COMPANY OF UNITED ILLUMINATING CO. YALE-NEW HAVEN HEALTH SERVICES CORPORATION PURCHASED ELECTRICITY AND GAS SERVICES FROM UNITED ILLUMINATING CO., THE ONLY SUPPLIER OF ELECTRICITY AND GAS AVAILABLE TO YALE-NEW HAVEN HEALTH SERVICES CORPORATION. RATES CHARGED BY UNITED ILLUMINATING CO. ARE REVIEWED AND APPROVED BY THE CONNECTICUT DEPARTMENT OF PUBLIC UTILITY CONTROL.

AMOUNT OF TRANSACTION: $135,952

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

PART IV

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

SOME OF THE ORGANIZATION'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE ORGANIZATION ENGAGES IN BUSINESS TRANSACTIONS WITH SOME OF THESE TAXABLE AFFILIATES. THESE TRANSACTIONS HAVE BEEN REPORTED AND DISCLOSED ON SCHEDULE R. THEY ARE NOT BEING REPORTED AGAIN HERE BECAUSE THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THE TAXABLE AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES AT THE ORGANIZATION.

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

FORM 990, PART III, LINE 4A, DESCRIPTION OF PROGRAM SERVICE:

YALE NEW HAVEN HEALTH SYSTEM (YNHHS OR THE SYSTEM), CONNECTICUT'S LEADING HEALTHCARE SYSTEM, WAS FORMED IN 1996 TO ENHANCE THE QUALITY AND SCOPE OF HEALTHCARE SERVICES FOR RESIDENTS OF CONNECTICUT AND BEYOND. YNHHS INCLUDES THREE DELIVERY NETWORKS: BRIDGEPORT HOSPITAL, GREENWICH HOSPITAL AND YALE-NEW HAVEN HOSPITAL, AND A PHYSICIAN FOUNDATION, NORTHEAST MEDICAL GROUP. YNHHS HAS CLINICAL RELATIONSHIPS WITH SEVERAL OTHER HOSPITALS IN CONNECTICUT AND NUMEROUS OUTPATIENT LOCATIONS THROUGHOUT THE STATE. YNHHS IS AFFILIATED WITH YALE UNIVERSITY IN SUPPORT OF PATIENT CARE, MEDICAL EDUCATION AND CLINICAL RESEARCH.

YNHHS PROVIDES QUALITY ACCESSIBLE CARE TO A BROAD PATIENT POPULATION. THE SYSTEM IS COMMITTED TO CREATING A CULTURE OF SAFETY FOR PATIENTS. IT CONTINUED A MULTI-YEAR INITIATIVE TO BECOME A HIGH RELIABILITY ORGANIZATION (HRO), IN COLLABORATION WITH THE CONNECTICUT HOSPITAL ASSOCIATION.

THE SYSTEM HAS FURTHER CONTINUED AND BEEN SUCCESSFUL IN ITS EFFORTS TO IMPROVE QUALITY OUTCOMES WHILE REDUCING EXPENSES IN A TIME OF GREAT CHANGE IN HEALTHCARE REIMBURSEMENT IN ORDER TO CONTINUE ITS MISSION OF PROVIDING QUALITY AFFORDABLE CARE TO A BROAD PATIENT POPULATION REGARDLESS OF ABILITY TO PAY AND OTHERWISE WITHOUT DISCRIMINATION, FURTHERING MEDICAL EDUCATION AND ADVANCEMENTS IN HEALTHCARE THROUGH CLINICAL RESEARCH. SPECIFICALLY, IT HAS LED CLINICAL INITIATIVES DESIGNED TO REDUCE CLINICAL VARIATION, POTENTIALLY AVOIDABLE

COMPLICATIONS AND EXCESS COST THROUGH BEST PRACTICES AND IMPROVED CARE MODELS - AND IN DOING SO IDENTIFIED OPPORTUNITIES FOR IMPROVEMENT IN LENGTH OF STAY, READMISSIONS, EXPENSE REDUCTIONS, REVENUE IMPROVEMENT AND INCREASED VOLUME.

FOR EXAMPLE, AN INITIATIVE TO STANDARDIZE DRUG INVENTORIES AT ALL THREE SYSTEM HOSPITALS RESULTED IN SIGNIFICANT SAVINGS AND HELPED ELIMINATE "DUPLICATE THERAPIES" - DEFINED AS USING SIMILAR, BUT MORE COSTLY MEDICATIONS TO TREAT THE SAME CONDITIONS. THE PROJECT EARNED BAXTER HEALTHCARE CORPORATION'S LEADERSHIP EXCELLENCE AWARD IN PHARMACY AND WAS RECOGNIZED AS PART OF AN EXCELLENCE AWARD FOR SUPPLY CHAIN MANAGEMENT FROM VHA INC., A NATIONAL NETWORK OF NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS.

EPIC, THE SYSTEM'S ELECTRONIC MEDICAL RECORD SYSTEM, WAS UPGRADED IN 2014 TO OPTIMIZE USAGE AND ADD NEW TOOLS, SEARCH FUNCTIONS AND SAFETY FEATURES, AND WAS FURTHER EXTENDED INTO COMMUNITY PRACTICES IN 2014. YNHHS AND ITS MEMBER HOSPITALS WERE AGAIN SELECTED AS ONE OF THE MOST WIRED HEALTH SYSTEMS IN THE NATION BY HOSPITALS AND HEALTH NETWORKS MAGAZINE WITH CLINICAL INFORMATION TECHNOLOGY INITIATIVES THAT ENHANCE ACCESS AND CONTINUITY FOR PATIENTS AND PROVIDERS IN THE DELIVERY OF HEALTHCARE.

TO SUPPORT ITS' THREE-FOLD STRATEGY, IT WAS PARAMOUNT THAT THE YALE-NEW HAVEN HEALTH SYSTEM PARTNER WITH YALE UNIVERSITY TO CREATE A CUTTING EDGE DATA AND ANALYTICS TEAM THAT WOULD COMBINE DISPARATE REPORTING RESOURCES FROM YNHHS, YALE MEDICAL GROUP (YMG), YALE SCHOOL OF MEDICINE (YSM). THE NEW DEPARTMENT CALLED THE JOINT DATA ANALYTICS TEAM (JDAT)

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

WAS FORMED ON OCTOBER 1, 2014 TO SUPPORT THE ORGANIZATIONS IN A DATA DRIVEN, TRANSPARENT AND SECURITY FOCUSED MISSION UNDER THE LEADERSHIP OF THE YNHHS AND YSM CHIEF MEDICAL INFORMATION OFFICER. SINCE ITS' FORMATION, JDAT HAS HAD NUMEROUS SUCCESSES INCLUDING CREATING A CENTRALLY MANAGED AND SINGLE PORTAL FOR ALL DATA REQUESTS, BUILDING A RESEARCH FOCUSED TEAM OF ANALYSTS, CREATING STANDARDIZED METRICS AND DASHBOARDS ACROSS THE INSTITUTIONS AND DEVELOPING THE 'HELIX' BRAND REPRESENTING THE ENTERPRISE DATA WAREHOUSE AND ALL ANALYTICS PRODUCED BY THE 60+ MEMBER TEAM. EACH JDAT ANALYST HAS OBTAINED AT LEAST ONE EPIC CERTIFICATION AND ALL ARE TRAINED IN THE LATEST BUSINESS INTELLIGENCE (BI) TECHNOLOGIES AS WELL AS DATABASE QUERYING TOOLS.

YNHHS CONTINUED TO SERVE A BROAD PATIENT POPULATION EXPANDING ITS CLINICAL SERVICE PARTNERSHIPS AND PROGRAMS TO MAKE CARE MORE ACCESSIBLE AND AVAILABLE ACROSS THE STATE. FURTHERING EXPANDING ACCESS TO CARE, YNHHS PARTNERED WITH ANOTHER AREA NONPROFIT HEALTH SYSTEM TO PROVIDE EMERGENCY HOSPITAL-TO-HOSPITAL TRANSPORT BY HELICOPTER. SPECIFIC EXAMPLES OF CLINICAL SERVICE PARTNERSHIPS AND PROGRAM EXPANSIONS IMPLEMENTED DURING 2014 INCLUDE:

- THE YALE-NEW HAVEN CHILDREN'S HOSPITAL SPECIALTY CENTER IN TRUMBULL OPENED.
- YNHHS AND MILFORD HOSPITAL SIGNED AN AGREEMENT TO BRING VARIOUS YALE-NEW HAVEN HOSPITAL PROGRAMS TO THE MILFORD CAMPUS, INCLUDING A 24-BED INPATIENT REHABILITATION UNIT.
- BRIDGEPORT HOSPITAL EXPANDED ITS CARDIAC SURGERY PROGRAM BY INTEGRATING WITH YALE-NEW HAVEN HOSPITAL AND YALE SCHOOL OF MEDICINE.
- SMILOW CANCER HOSPITAL AT YALE-NEW HAVEN, IN COLLABORATION WITH THE PHYSICIANS AND STAFF FORMERLY OF ONCOLOGY ASSOCIATES OF BRIDGEPORT (WHO

JOINED THE YALE SCHOOL OF MEDICINE), BEGAN TO PROVIDE CANCER SERVICES AT BRIDGEPORT HOSPITAL'S TRUMBULL AND FAIRFIELD LOCATIONS IN SEPTEMBER.

- PEDIATRIC AND HEART AND VASCULAR SERVICES WERE EXPANDED AT GREENWICH HOSPITAL.

- YNHHS EXTENDED MATERNAL FETAL MEDICINE, HEART AND VASCULAR SERVICES AND NEUROSURGICAL SERVICES TO LAWRENCE & MEMORIAL HOSPITAL.

- YALE-NEW HAVEN CHILDREN'S HOSPITAL ESTABLISHED A RELATIONSHIP WITH STAMFORD HOSPITAL TO PROVIDE PEDIATRIC EMERGENCY DEPARTMENT SERVICES.

- COLLABORATING WITH EASTERN CONNECTICUT HEALTH NETWORK, YNHHS EXPANDED HEART AND VASCULAR AND SLEEP MEDICINE SERVICES.

THE SERVICE EXCELLENCE COUNCIL CONTINUED TO IDENTIFY STRATEGIES AND IMPLEMENT MEASURES THAT IMPROVE THE PATIENT EXPERIENCE. THE HOSPITAL CONSUMER ASSESSMENT OF HEALTHCARE PROVIDERS AND SYSTEMS (HCAHPS) SURVEY, DEVELOPED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES, WAS ONE OF MANY MEASURES OF THE PATIENT EXPERIENCE. IN MARCH, HCAHPS REPORTED THAT GREENWICH HOSPITAL HAD THE HIGHEST RANKING FOR BOTH "OVERALL RATING" AND "WILLINGNESS TO RECOMMEND" IN THE STATE OF CONNECTICUT AS WELL AS THE NEARBY NEW YORK COUNTIES. THE ANNUAL YNHHS SERVICE EXCELLENCE CONFERENCE DREW MORE THAN 950 ATTENDEES AND 96 PRESENTATIONS ON PROJECTS THAT STAFF DEVELOPED TO IMPROVE THE OVERALL PATIENT EXPERIENCE.

A REFRESHED DIVERSITY AND INCLUSION PROGRAM WAS IMPLEMENTED TO HELP EMPLOYEES BETTER UNDERSTAND AND WORK WITH DIVERSE PATIENT AND STAFF POPULATIONS. FOR THE SECOND CONSECUTIVE YEAR, YNHHS HOSPITALS WERE NAMED "LEADERS IN LGBT HEALTHCARE EQUALITY" BY THE NATIONAL HUMAN RIGHTS CAMPAIGN FOUNDATION FOR COMMITMENT TO EQUITABLE, INCLUSIVE CARE

FOR LESBIAN, GAY, BISEXUAL AND TRANSGENDER PATIENTS AND FAMILIES.

YNHHS FORMED A SYSTEM-WIDE PRICING ALIGNMENT COMMITTEE AND A NEW PATIENT AND FAMILY ADVISORY COMMITTEE TO ADDRESS THE PRICING OF OUR HEALTHCARE SERVICES, TAKING A PROACTIVE STANCE ON PRICING TRANSPARENCY, AND ADVISING LEADERS ON BILLING APPROACHES AND THE SIMPLIFICATION OF PATIENT BILLS. THE PATIENT AND FAMILY ADVISORY COMMITTEE HAS GUIDED THE HEALTH SYSTEM TOWARD SIMPLER, MORE UNDERSTANDABLE PATIENT STATEMENTS AND MORE EFFECTIVE COMMUNICATIONS TO PATIENTS REGARDING THE PRICES OF SERVICES. COST ESTIMATES FOR PATIENTS PRIOR TO SERVICE WERE IMPLEMENTED SYSTEM-WIDE IN 2014. VIRTUALLY ALL HEALTH BENEFIT PLANS NOW CONSIST OF SUBSTANTIAL DEDUCTIBLES AND COPAYMENTS; YNHHS RECOGNIZES THE IMPORTANCE TO CONSUMERS OF UNDERSTANDING THEIR FINANCIAL OBLIGATIONS AND RESOURCES AVAILABLE TO THEM TO HELP PAY FOR MEDICALLY NECESSARY CARE AND, TO THAT END, IS WORKING TO PROVIDE GREATER TRANSPARENCY OF PRICING, AND AWARENESS AROUND FINANCIAL ASSISTANCE PROGRAMS AVAILABLE TO HELP CONSUMERS PAY THEIR MEDICAL BILLS, IF NEEDED.

YNHHS CONTINUES TO BUILD ITS CAPABILITIES TO MANAGE POPULATION-BASED HEALTH CARE, INCLUDING WAYS TO ADDRESS THE INTERRELATED FACTORS THAT IMPACT THE HEALTH OF SPECIFIC POPULATIONS OF PATIENTS. THE GOAL OF BUILDING A SCALABLE INFRASTRUCTURE AND IMPLEMENTING TARGETED PROGRAMS TO BETTER COORDINATE THE PREVENTIVE, WELLNESS AND MEDICAL CARE OF PATIENTS ACROSS THE HEALTHCARE CONTINUUM WAS EVIDENCED IN MANY WAYS.

IN 2014, NORTHEAST MEDICAL GROUP ACHIEVED LEVEL III (THE HIGHEST LEVEL) PATIENT CENTERED MEDICAL HOME (PCMH) RECOGNITION FROM THE NATIONAL

COMMITTEE ON QUALITY ASSURANCE (NCQA) IN 12 PRIMARY CARE PRACTICES, UTILIZING A CARE MANAGEMENT MODEL THAT USES EMBEDDED AND CENTRALIZED CARE COORDINATORS AND PATIENT NAVIGATORS TO MANAGE THE CARE OF PATIENTS. THESE MODELS OF CARE FOCUS ON IMPROVING ACCESS AND COORDINATING PATIENT CARE ACROSS THE HEALTHCARE CONTINUUM THROUGH THE PRIMARY CARE PROVIDER'S OFFICE. THIS HELPS ENSURE THAT PATIENTS RECEIVE THE CARE THEY NEED, WHEN THEY NEED IT, THEREBY IMPROVING BOTH THE PHYSICIAN'S AND PATIENT'S EXPERIENCE WHILE LOWERING COSTS. ACROSS YNHHS, PATIENT REGISTRIES WERE ESTABLISHED FOR DIABETES, CARDIOVASCULAR DISEASE AND GERIATRICS WHICH IMPROVED OUR AFFILIATED PROVIDERS' ABILITY TO IDENTIFY PATIENTS IN NEED OF SUPPORT.

YNHHS CONTINUED TO ENHANCE CARE MANAGEMENT WITH ITS EMPLOYEES RESULTING IN A SIGNIFICANT IMPROVEMENT IN HEALTHCARE UTILIZATION PATTERNS AND REDUCING THE PER MEMBER PER MONTH INDEX OF TARGETED PATIENTS WHILE MAINTAINING A GREATER THAN 97 PERCENT PARTICIPANT SATISFACTION RATING. IN 2014 THE PROGRAM GREW TO NEARLY 500 PARTICIPANTS AND INCLUDED A LOWER ACUITY HEALTH COACHING PROGRAM AT ALL YNHHS CAMPUSES.

YNHHS ALSO LAID THE GROUNDWORK FOR A CLINICALLY INTEGRATED NETWORK OF PHYSICIANS, HOSPITALS AND OTHER HEALTHCARE PROVIDERS TO PROVIDE PATIENTS WITH SAFE, HIGH-QUALITY, COORDINATED AND COST-EFFECTIVE HEALTHCARE SERVICES. CALLED TOTAL HEALTH, THIS COLLABORATIVE NETWORK DELIVERS HEALTH CARE THAT IS PATIENT-FOCUSED, PHYSICIAN-LED AND COMMITTED TO OUR COMMUNITIES. IT IS ANTICIPATED, THAT TOTAL HEALTH WILL GROW THE INFRASTRUCTURE, RESOURCES, POLICIES, PROCESSES AND ORGANIZATIONAL STRUCTURE NEEDED TO SUPPORT A NETWORK OF PHYSICIANS AND PRACTICES WORKING WITH EACH OTHER AND WITH YNHHS TO DELIVER

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

EVIDENCE-BASED CARE TO IMPROVE THE QUALITY, EFFICIENCY AND COORDINATION OF HEALTH CARE SERVICES. THE CONIFER VALUE-BASED CARE SUITE OF TECHNOLOGIES WILL ASSIST CLINICAL INTEGRATION WITH A FOCUS ON PHYSICIAN DASHBOARDS FOR METRIC REPORTING FROM THE POPULATION LEVEL DOWN TO THE PATIENT LEVEL. TOTAL HEALTH IS ONE OF SEVERAL WAYS YNHHS IS CHANGING TO MEET THE CHALLENGES AND DEMANDS OF THE 2010 PATIENT PROTECTION AND AFFORDABLE CARE ACT IN INCREASING QUALITY, AFFORDABILITY AND ACCESS TO HEALTH CARE.

EACH YEAR YNHHS DELIVERY NETWORKS PROVIDE OVER $565.3 MILLION (AT COST) IN COMMUNITY BENEFIT AND COMMUNITY-BUILDING ACTIVITIES. AS PART OF THE SYSTEM-WIDE COMMITMENT TO SERVE AS STRONG COMMUNITY PARTNERS, EACH YNHHS DELIVERY NETWORK PROVIDED NUMEROUS HEALTH SCREENINGS, COMMUNITY EDUCATION SESSIONS, COMMUNITY-BUILDING EVENTS, COMMUNITY LEADERSHIP ACTIVITIES AND GRANTS AND ASSISTANCE TO IMPROVE AND ENHANCE THE HEALTH OF ITS LOCAL COMMUNITY. IN ADDITION, THE AREA OF COMMUNITY BENEFITS ALSO INCLUDES COSTS ASSOCIATED WITH HEALTH PROFESSIONS EDUCATION, UNCOMPENSATED AND UNDER-COMPENSATED CARE. BASED ON THE RESULTS OF LAST YEAR'S COMMUNITY HEALTH NEEDS ASSESSMENTS, EACH YNHHS HOSPITAL IMPLEMENTED COMMUNITY HEALTH IMPROVEMENT PLANS WITH PARTNERS IN THEIR LOCAL COMMUNITIES THAT ADDRESSED THEIR TOP THREE PUBLIC HEALTH ISSUES.

BUILDING ON THE SUCCESS OF LAST YEAR'S "KNOW YOUR NUMBERS" EMPLOYEE WELLNESS PROGRAM, YNHHS OFFERED "KNOW YOUR NUMBERS PLUS" TO FURTHER SUPPORT EMPLOYEE WELLNESS. EMPLOYEES WHO COMPLETED A HEALTH SCREENING AND DOCUMENTATION OF HEALTHY BEHAVIOR RECEIVED A $500 CREDIT TOWARD THE COST OF THEIR ANNUAL MEDICAL PREMIUM. MORE THAN 10,000 SYSTEM EMPLOYEES PARTICIPATED IN HEALTH SCREENINGS.

THE LIVINGWELLCARES ON SITE CARE COORDINATION PROGRAM, WHICH PROVIDES FREE, CONFIDENTIAL HEALTHCARE COORDINATION SERVICES TO EMPLOYEES, INCREASED ENROLLMENT. THE PROGRAM EXPANDED THIS YEAR FROM A FOCUS ON DIABETES TO CORONARY ARTERY DISEASE, CONGESTIVE HEART FAILURE, ASTHMA, COPD, HYPERTENSION, HYPERLIPIDEMIA AND CERTAIN MUSCULOSKELETAL CONDITIONS. PARTICIPANTS DEMONSTRATED DECREASED BLOOD PRESSURE, CHOLESTEROL AND HEMOGLOBIN LEVELS OVER THE PAST YEAR, AND RANKED THEIR SATISFACTION WITH THE PROGRAM AT 97 PERCENT.

THE E-LEARNING DEPARTMENT PROVIDED 381,000 HOURS OF ONLINE EDUCATION TO MORE THAN 20,000 EMPLOYEES. AMONG OTHER THINGS THE CENTER PROVIDED HIGH-IMPACT TRAINING THAT INCLUDED EBOLA PREPAREDNESS TRAINING FOR PERSONAL PROTECTIVE EQUIPMENT.

TO FACILITATE ITS STRATEGIES DESIGNED TO PREPARE YNHHS TO CONTINUE TO DELIVER COMPREHENSIVE, INTEGRATED, QUALITY HEALTH CARE IN A CONSUMER FRIENDLY AND ACCESSIBLE MANNER IN A CHANGING AND CHALLENGING ENVIRONMENT, YNHHS FORMED AN "OBLIGATED GROUP" TO ENHANCE THE SYSTEM'S ACCESS TO AND COORDINATED DEPLOYMENT OF CAPITAL.

BRIDGEPORT DELIVERY NETWORK

BRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING 18,208 INPATIENTS AND MORE THAN 277,000 OUTPATIENT ENCOUNTERS IN 2014. A MEMBER OF YNHHS SINCE 1996, BRIDGEPORT HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER; THE JOEL E. SMILOW HEART INSTITUTE; THE NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CENTER, THE WOMEN'S CARE CENTER, CENTER FOR WOUND HEALING AND HYPERBARIC MEDICINE

AND AHLBIN CENTERS FOR REHABILITATION MEDICINE. BRIDGEPORT HOSPITAL IS ALSO HOME TO THE SECOND INPATIENT CAMPUS OF YALE-NEW HAVEN CHILDREN'S HOSPITAL.

DURING FISCAL YEAR 2014, BRIDGEPORT HOSPITAL PROVIDED APPROXIMATELY $66.4 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES $53.5 MILLION IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $10.3 MILLION IN HEALTH PROFESSIONS EDUCATION, AND OVER $2.6 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $90,759 WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY AND COALITION BUILDING. BRIDGEPORT HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS .

GREENWICH HOSPITAL DELIVERY NETWORK

GREENWICH HOSPITAL, FOUNDED IN 1903, IS A 206-BED COMMUNITY TEACHING HOSPITAL THAT HAS EVOLVED INTO A PROGRESSIVE REGIONAL HEALTHCARE CENTER, WITH MORE THAN 12,500 INPATIENT DISCHARGES AND NEARLY 290,000 OUTPATIENT ENCOUNTERS LAST YEAR. THE HOSPITAL OFFERS A WIDE RANGE OF MEDICAL, SURGICAL, DIAGNOSTIC AND WELLNESS PROGRAMS. SPECIALIZED SERVICES ARE OFFERED AT THE BENDHEIM CANCER CENTER, BREAST CENTER, ENDOSCOPY CENTER, LEONA M. AND HARRY B. HELMSLEY AMBULATORY MEDICAL CENTER, THE RICHARD R. PIVIROTTO CENTER FOR HEALTHY LIVING AND THE GREENWICH HOSPITAL DIAGNOSTIC CENTER IN STAMFORD.

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

DURING FISCAL YEAR 2014, GREENWICH HOSPITAL PROVIDED APPROXIMATELY $35.6 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES $27.4 MILLION IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $3.6 MILLION IN HEALTH PROFESSIONS EDUCATION AND $4.7 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $319,409 WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, COALITION BUILDING AND PHYSICAL IMPROVEMENT AND HOUSING. GREENWICH HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME, MONEY AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

YALE-NEW HAVEN DELIVERY NETWORK

YALE-NEW HAVEN HOSPITAL, FOUNDED IN 1826 AS THE FIRST HOSPITAL IN CONNECTICUT, IS A 1,541-BED ACUTE AND TERTIARY CARE HOSPITAL. WITH TWO INPATIENT CAMPUSES IN NEW HAVEN, YALE-NEW HAVEN HOSPITAL IS THE PRIMARY TEACHING HOSPITAL FOR YALE SCHOOL OF MEDICINE AND IS A MAJOR TERTIARY CARE CENTER FOR ACUTELY ILL OR INJURED PATIENTS, RECEIVING REGIONAL, NATIONAL AND INTERNATIONAL REFERRALS. YALE-NEW HAVEN HOSPITAL DISCHARGED ALMOST 79,400 INPATIENTS AND HANDLED ABOUT 1.2 MILLION OUTPATIENT ENCOUNTERS IN NEW HAVEN, NORTH HAVEN, EAST HAVEN AND GUILFORD AND DOZENS OF RADIOLOGY AND BLOOD-DRAWING SERVICES THROUGHOUT THE STATE. LAST YEAR, THE HOSPITAL RECEIVED NATIONAL RECOGNITION FOR ITS CLINICAL SERVICES RANKING AMONG THE COUNTRY'S TOP HOSPITALS IN 11 SPECIALTIES IN U.S. NEWS & WORLD REPORT'S ANNUAL "AMERICA'S BEST HOSPITALS; AND FOR SEVEN PEDIATRIC SUBSPECIALTIES IN THE U.S. NEWS BEST

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

CHILDREN'S HOSPITALS RANKINGS.

DURING FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL PROVIDED APPROXIMATELY 463.3 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES 353.8 MILLION DOLLARS IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $93.9 MILLION IN HEALTH PROFESSIONS EDUCATION, AND $15.6 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $3.5 MILLION DOLLARS WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY, COALITION BUILDING AND PHYSICAL IMPROVEMENTS AND HOUSING. YALE-NEW HAVEN HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

NORTHEAST MEDICAL GROUP

NEMG, ESTABLISHED IN 2010, IS A SYSTEM-WIDE PHYSICIAN GROUP DESIGNED TO CREATE OPPORTUNITIES FOR BETTER COLLABORATION, QUALITY OF CARE AND PHYSICIAN ALIGNMENT. A NOT-FOR-PROFIT MULTISPECIALTY MEDICAL FOUNDATION, NEMG HAS ALIGNED PHYSICIANS AND ADVANCED PRACTICE CLINICIANS ACROSS THE SYSTEM. NEMG INCLUDES PHYSICIANS THROUGHOUT THE SYSTEM, INCLUDING HOSPITAL-EMPLOYED PHYSICIANS AT GREENWICH HOSPITAL, BRIDGEPORT HOSPITAL AND THE HOSPITALISTS OF YALE- NEW HAVEN HOSPITAL AND COMMUNITY PHYSICIANS.

BASED IN BRIDGEPORT, CONNECTICUT, NEMG COMMUNITY PRACTICES EXTEND FROM RYE BROOK, NEW YORK, TO GALES FERRY, CONNECTICUT. THROUGH ITS GROWING

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

PHYSICIAN NETWORK, NEMG HELPS THE SYSTEM BETTER CARE FOR PATIENTS ACROSS THE CARE CONTINUUM-FROM HOSPITALS TO AMBULATORY CARE SETTINGS TO HOME. NEMG OFFERS ITS EMPLOYED PHYSICIANS OPPORTUNITIES FOR COLLABORATION AND RESOURCES TO IMPROVE PRACTICE MANAGEMENT AND CLINICAL QUALITY. NEMG PHYSICIAN PRACTICES CAN TAKE ADVANTAGE OF ECONOMIES OF SCALE, ASSISTANCE WITH RECRUITMENT EFFORTS AND SUPPORT FOR THE DELIVERY OF INTEGRATED, HIGH-QUALITY CARE.

BY GROWING ITS PROVIDER NETWORK, NEMG STRENGTHENED ITS ABILITY TO INCREASE PATIENT ACCESS TO HIGH-QUALITY HEALTHCARE SERVICES, ESPECIALLY IN PRIMARY CARE, IN A COST-EFFICIENT, COORDINATED MANNER.

NEMG CONTINUED TO DEVOTE ATTENTION TO THE PATIENT EXPERIENCE, MAINTAINING STRONG GAINS REFLECTED IN ITS PATIENT SATISFACTION SCORES. NEMG RANKED IN THE 97TH PERCENTILE NATIONALLY FOR OVERALL PATIENT SATISFACTION.

FORM 990, PART VI:

PART I, LINE 4 & PART VI, LINE 1B

NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY

THE HOSPITAL SOUGHT TO CONFIRM THE INDEPENDENCE OF EACH VOTING MEMBER OF ITS GOVERNING BODY BY REQUESTING THAT EACH SUCH VOTING MEMBER RESPOND TO A QUESTIONNAIRE CONTAINING THE PERTINENT INSTRUCTIONS AND DEFINITIONS AND DESIGNED TO ELICIT THE INFORMATION NECESSARY TO DETERMINE INDEPENDENCE. BASED ON RESPONSES TO THE QUESTIONNAIRES RECEIVED BY THE HOSPITAL AND ANNUAL CONFLICTS OF INTEREST DISCLOSURES, THE HOSPITAL WAS ABLE TO CONFIRM THAT 13 VOTING MEMBERS ARE INDEPENDENT.

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

FORM 990, PART VI, SECTION A, LINE 2:

PART VI, LINE 2

BUSINESS RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES, OR KEY EMPLOYEES

TRUSTEES DANIEL J. MIGLIO AND JOHN L. LAHEY AND OFFICER JAMES TORGERSON ARE DIRECTORS AND OFFICERS OF THE SAME BUSINESS ENTITY.

SOME OF THE ORGANIZATION'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THOSE TAXABLE AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES WITH THE ORGANIZATION. THE TAXABLE AFFILIATES FOR WHICH SOME OF THE ORGANIZATION'S OFFICERS SERVE ALSO AS OFFICERS AND/OR DIRECTORS INCLUDE: CENTURY FINANCIAL SERVICES, INC.; GREENWICH HEALTH SERVICES, INC.; GREENWICH INTEGRATIVE MEDICINE, P.C.; GREENWICH OCCUPATIONAL HEALTH SERVICES OF NEW JERSEY, P.C.; GREENWICH PEDIATRIC SERVICES, P.C.; MEDICAL CENTER REALTY, INC.; MEDICAL CENTER PHARMACY AND HOME CARE CENTER, INC.; SHORELINE SURGERY CENTER LLC; SSC II, LLC; YNHH-MSO, INC.; YNHH PHYSICIANS CORP.; YALE-NEW HAVEN AMBULATORY SERVICES CORPORATION; AND YORK ENTERPRISES, INC.

FORM 990, PART VI, SECTION B, LINE 11:

THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT. THE RETURN IS INITIALLY REVIEWED BY THE DIRECTOR AND VP OF CORPORATE FINANCE. SUBSEQUENTLY IT IS SENT TO ERNST & YOUNG US, LLP FOR THEIR INITIAL REVIEW. AFTER ALL COMMENTS FROM THE ABOVE

GROUP ARE CLEARED, THE RETURN IS THEN REVIEWED BY THE CHIEF FINANCIAL OFFICER OF THE ENTITY AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US, LLP FOR FINAL REVIEW. PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF TRUSTEES. A SECURE WEB PORTAL IS AVAILABLE TO BOARD MEMBERS TO ACCESS THE RETURN.

FORM 990, PART VI, SECTION B, LINE 12C:

THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC:R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES. THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER. COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT. THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT SHE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST. FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

THE EXECUTIVE COMPENSATION COMMITTEE OF THE YNHHS STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEE IS AUTHORIZED UNDER THE YNHHS BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL YNHHS BOARD ON AN ANNUAL BASIS. IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE EXECUTIVE COMPENSATION COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE, AND PROVIDED TO THE BOARD.

PART VI, LINE 15B

THE EXECUTIVE COMPENSATION COMMITTEE OF THE YNHHS STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS"

UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEE IS AUTHORIZED UNDER THE YNHHS BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL YNHHS BOARD ON AN ANNUAL BASIS. IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE EXECUTIVE COMPENSATION COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

ANY AVAILABLE COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT. OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY OFFICE OF LEGAL AND CORPORATE

Name of the organization: YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number: 22-2529464

COMPLIANCE. THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE. COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

CONSULTING FEES:

PROGRAM SERVICE EXPENSES	4,831,413.
MANAGEMENT AND GENERAL EXPENSES	852,602.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	5,684,015.

PERSONNEL SUPPORT/OUTSIDE CONTRACTUAL:

PROGRAM SERVICE EXPENSES	35,561,027.
MANAGEMENT AND GENERAL EXPENSES	6,275,475.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	41,836,502.

TEMPORARY HELP/TRAINING/DEVELOPMENT:

PROGRAM SERVICE EXPENSES	1,382,908.
MANAGEMENT AND GENERAL EXPENSES	244,043.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,626,951.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	49,147,468.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

TRANSFER TO/FROM AFFILIATES- NEMG/PRIMED	34,540,467.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number
22-2529464

Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
BRIDGEPORT RENEWAL, LLC - 06-1452169 267 GRANT STREET BRIDGEPORT, CT 06610	REAL ESTATE RENTAL	CONNECTICUT	89,131.	483,138.	SOUTHERERN CONNECTICUT HEALTH SYSTEM PROPERTIES
900 KING STREET ASSOCIATES, LLC - 26-0805259 5 PERRYRIDGE ROAD GREENWICH, CT 06830	BUILDING OPERATIONS	CONNECTICUT	0.	0.	GREENWICH HOSPITAL
GREENWICH PATHOLOGY ASSOCIATES, LLC - 06-6140101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE SERVICES	CONNECTICUT	3,418,510.	643,708.	GREENWICH HOSPITAL
GREENWICH CLINICAL PATHOLOGY,LLC - 26-2455578, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE SERVICES	CONNECTICUT	1,303,060.	251,548.	GREENWICH HOSPITAL

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
GREENWICH HOSPITAL - 06-0646659 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 3	GREENWICH HEALTH CARE SERVICES INC.	X	
GREENWICH HEALTH CARE SERVICES INC - 22-2593399, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11B, II	YALE NEW HAVEN HEALTH SERVICES CORP	X	
THE GREENWICH HOSPITAL ENDOWMENT FUND INC - 06-1526642, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	
BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES - MERGED 5/16/2014 - 06-1066729, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP	X	

DOHP1818

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
GREENWICH ENDOSCOPY CENTER, LLC - 26-0805473 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE SERVICES	CONNECTICUT	0.	0.	GREENWICH HEALTH CARE SERVICES, INC
2015 WEST MAIN STREET ASSOC, LLC - 73-1718563, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	REAL ESTATE RENTAL	CONNECTICUT	721,431.	2,229,489.	PERRYRIDGE CORPORATION
GH REALTY HOLDING, LLC - 06-1623145 5 PERRYRIDGE ROAD GREENWICH, CT 06830	REAL ESTATE RENTAL	CONNECTICUT	1,203,096.	8,753,954.	PERRYRIDGE CORPORATION
GREENWICH AMBULATORY SURGERY CENTER,LLC - 26-0810580, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE SERVICES	CONNECTICUT	7,585,000.	2,232,000.	GREENWICH HEALTH CARE SERVICES, INC
NORTHEAST MEDICAL GROUP, ACO, LLC - 47-0970286, 226 MILL HILL AVE, BRIDGEPORT, CT 06610	HEALTHCARE SERVICES	CONNECTICUT	0.	0.	NORTHEAST MEDICAL GROUP INC

DOHP1819

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL - 06-0646554 267 GRANT STREET BRIDGEPORT, CT 06610	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
SOUTHERN CONNECTICUT HEALTH SYSTEM PROPERTIES INC - 06-1297708, 267 GRANT STREET, BRIDGEPORT, CT 06610	TITLE HOLDING	CONNECTICUT	501C2		SEE PART VII	X	
BRIDGEPORT HOSPITAL AUXILIARY INC - 06-6042500, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11A, I	SEE PART VII	X	
BRIDGEPORT HOSPITAL FOUNDATION, INC - 22-2908698, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 7	SEE PART VII	X	
NORMA F PFREIM BREAST CANCER INC -MERGED 2/20/2014 - 06-0567752, 111 BEACH ROAD, FAIRFIELD, CT 06430	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSPITAL	X	
NORTHEAST MEDICAL GROUP INC - 06-1330992 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 9	YALE NEW HAVEN HEALTH SERVICES CORP	X	
NORTHEAST MEDICAL GROUP, PLLC - 35-2380180 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 11A, I	NORTHEAST MEDICAL GROUP, INC	X	
YNH NETWORK CORP -MERGED 5/2014 - 06-1513687 789 HOWARD AVE NEW HAVEN, CT 06519	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP	X	
YALE-NEW HAVEN HOSPITAL - 06-0646652 20 YORK STREET NEW HAVEN, CT 06504	HEALTHCARE SERVICES	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
YALE NEW HAVEN CARE CONTINUUM CORP - 45-5235566, 789 HOWARD AVE, NEW HAVEN, CT 06519	NURSING HOME	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
CARITAS INSURANCE - 03-0322238 40 MAIN STREET BURLINGTON, VT 05401	INSURANCE	VERMONT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL	X	
PERRYRIDGE CORPORATION - 06-1207316 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	

DOHP1820

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL FRIENDS OF PEDIATRICS - 06-6048427, 120 COLUMBINE DRIVE, TRUMBULL, CT 06611	SYSTEM SUPPORT SERVICES	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL	X	

DOHP1821

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
SHORELINE SURGERY CENTER LLC - 90-0110459, 60 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE SERVICES	CT	YALE NEW HAVEN AMBULATORY SERVICE CORP	RELATED	3,390,452.	1,263,971.		X	N/A		X	51.00%
SSC II LLC - 26-1709382 111 GOOSE LANE GUILFORD, CT 06437	HEALTHCARE SERVICES	CT	YALE NEW HAVEN AMBULATORY SERVICE CORP	RELATED	4,070,552.	1,412,995.		X	N/A		X	51.00%
ORTHOPAEDIC & NEUROSURGERY CENTER, LLC - 27-3477197, 55 HOLLY HILL LANE, GREENWICH, CT 06830	HEALTHCARE SERVICES	CT	GREENWICH AMBULATORY SERVICE CORP	RELATED	2,317,736.	824,618.		X	N/A		X	35.00%

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
YNHHS-MSO INC - 06-1467717 789 HOWARD AVE NEW HAVEN, CT 06519	MANAGEMENT SERVICES	CT	N/A	C CORP	1,707,648.	368,236.	100.00%	X	
YALE-NEW HAVEN AMBULATORY SERVICES - 06-1398526, 40 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE SERVICES	CT	SEE PART VII	C CORP	4,275,292.	13,270,460.	100.00%	X	
MEDICAL CENTER REALTY - 06-1110858 50 YORK STREET NEW HAVEN, CT 06511	REAL ESTATE RENTAL	CT	YORK ENTERPRISES INC	C CORP	1,703,790.	4,528,007.	100.00%	X	
GREENWICH HEALTH SERVICES INC - 06-1233643 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE SERVICES	CT	GREENWICH HEALTH CARE SERVICES CORP	C CORP	377,977.	831,138.	100.00%	X	
GREENWICH PEDIATRIC SERVICES PC - DISSOLVED 9/2014 - 74-3054409, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE SERVICES	CT	GREENWICH HEALTH SERVICES INC	C CORP	1,170.	441.	100.00%	X	

DOHP1822

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
GREENWICH INTEGRATIVE MEDICINE - DISSOLVED 9/2014 - 26-0236411, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE SERVICES	CT	GREENWICH HEALTH SERVICES INC	C CORP	166,380.	0.	100.00%	X	
GREENWICH FERTILITY & IVF PC - 30-0145464 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE SERVICES	CT	GREENWICH HEALTH SERVICES INC	C CORP	2,378,146.	1,985,666.	100.00%	X	
YORK ENTERPRISES INC - 06-1110937 50 YORK STREET NEW HAVEN, CT 06511	TITLE HOLDING	CT	SEE PART VII	C CORP	33,058.	8,862,600.	100.00%	X	
YNHH-PHYSICIANS CORP - 06-1202305 789 HOWARD AVE NEW HAVEN, CT 06519	ADMININISTRATIVE SERVICES	CT	N/A	C CORP	21.	100,626.	100.00%	X	
MEDICAL CENTER PHARMACY - 06-1087673 50 YORK STREET NEW HAVEN, CT 06511	PHARMACY	CT	YORK ENTERPRISES INC	C CORP	8,554,227.	11,371,300.	100.00%	X	
CENTURY FINANCIAL SERVICES INC - 06-1110797 23 MAIDEN LANE NORTH HAVEN, CT 06473	DEBT COLLECTION	CT	N/A	C CORP	5,635,442.	3,094,101.	95.29%	X	
GREENWICH OCCUPATIONAL HEALTH SERVICES INC-NY - 06-1540101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NY	GREENWICH HEALTH SERVICES INC	C CORP	287,000.	264,970.	100.00%	X	
LUKAN INDEMNITY COMPANY - 98-1072793 58 PAR-LA-VALLIS RD HAMILTON, BERMUDA	INSURANCE	BERMUDA	YALE-NEW HAVEN HOSPITAL	C CORP	0.	0.	100.00%	X	
GREENWICH OCCUPATIONAL HEALTH SERVICES INC-NJ - 45-3833883, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NJ	GREENWICH HEALTH SERVICES INC	C CORP	219,786.	118,276.	100.00%	X	
PRIMARYNET OF CT INC - 06-1463534 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	CHC PHYSICIANS INC	C CORP	0.	0.	100.00%	X	

DOHP1823

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to related organization(s)	1b		X
c Gift, grant, or capital contribution from related organization(s)	1c		X
d Loans or loan guarantees to or for related organization(s)	1d		X
e Loans or loan guarantees by related organization(s)	1e		X
f Dividends from related organization(s)	1f		X
g Sale of assets to related organization(s)	1g		X
h Purchase of assets from related organization(s)	1h		X
i Exchange of assets with related organization(s)	1i		X
j Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o Sharing of paid employees with related organization(s)	1o		X
p Reimbursement paid to related organization(s) for expenses	1p		X
q Reimbursement paid by related organization(s) for expenses	1q	X	
r Other transfer of cash or property to related organization(s)	1r	X	
s Other transfer of cash or property from related organization(s)	1s	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) BRIDGEPORT HOSPITAL	L	65,145,444.	COMPARABLE MARKET VALUE
(2) BRIDGEPORT HOSPITAL	Q	9,480,937.	TRANSACTION REVIEW
(3) YALE-NEW HAVEN HOSPITAL	L	188,471,600.	COMPARABLE MARKET VALUE
(4) YALE-NEW HAVEN HOSPITAL	Q	26,886,799.	TRANSACTION REVIEW
(5) YALE-NEW HAVEN HOSPITAL	K	3,066,000.	COMPARABLE MARKET VALUE
(6) YALE-NEW HAVEN HOSPITAL	S	25,000,000.	CASH

DOHP1824

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7) GREENWICH HOSPITAL	L	46,393,443.	COMPARABLE MARKET VALUE
(8) NORTHEAST MEDICAL GROUP INC	L	7,180,141.	COMPARABLE MARKET VALUE
(9) NORTHEAST MEDICAL GROUP INC	R	47,183,195.	CASH
(10) YALE NEW HAVEN AMBULATORY SERVICES, CORP.	L	138,526.	COMPARABLE MARKET VALUE
(11) YORK ENTERPRISES, INC.	L	339,156.	COMPARABLE MARKET VALUE
(12) GREENWICH HOSPITAL	Q	5,647,266.	TRANSACTION REVIEW
(13) CENTURY FINANCIAL SERVICES INC	L	98,959.	COMPARABLE MARKET VALUE
(14) YALE NEW HAVEN CARE CONTINUUM CORP	L	163,052.	COMPARABLE MARKET VALUE
(15) BRIDGEPORT HOSPITAL	S	25,000,000.	CASH
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

DOHP1825

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

DOHP1826

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

PART II (F), DIRECT CONTROLLING ENTITY OF TAX-EXEMPT ORGANIZATIONS:

BRIDGEPORT HOSPITAL -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL AUXILIARY INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL FOUNDATION, INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

SOUTHERN CT HEALTH SYSTEM PROPERTIES INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN CARE CONTINUUM CORP -

YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN HOSPITAL -

YNH NETWORK CORP 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

PART IV (D), DIRECT CONTROLLING ENTITY OF ORGANIZATIONS TAXABLE AS CORP OR TRUST:

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

YALE NEW HAVEN AMBULATORY SERVICES -

YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

YORK ENTERPRISES INC -

YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

Yale-New Haven Hospital

** PUBLIC DISCLOSURE COPY **

Form 990 Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990

Department of the Treasury Internal Revenue Service

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning OCT 1, 2013 and ending SEP 30, 2014

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: YALE-NEW HAVEN HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 20 YORK STREET

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: NEW HAVEN, CT 06504

F Name and address of principal officer: RICHARD D'AQUILA, 20 YORK STREET, NEW HAVEN, CT 06504

D Employer identification number: 06-0646652

E Telephone number: 203-688-6088

G Gross receipts $: 2,673,966,876.

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.YNHH.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1826 M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: TO PROVIDE HEALTH CARE SERVICES

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	27
4	Number of independent voting members of the governing body (Part VI, line 1b)	21
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	13849
6	Total number of volunteers (estimate if necessary)	2798
7a	Total unrelated business revenue from Part VIII, column (C), line 12	1,801,281.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	39,185,578.	32,013,875.
	9 Program service revenue (Part VIII, line 2g)	2,282,916,081.	2,338,352,634.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11,636,039.	8,174,656.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	27,119,832.	33,386,631.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,360,857,530.	2,411,927,796.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	2,673,987.	3,684,031.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,025,605,513.	1,034,853,913.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 6,791,168.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,211,949,935.	1,265,265,306.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,240,229,435.	2,303,803,250.
	19 Revenue less expenses. Subtract line 18 from line 12	120,628,095.	108,124,546.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	2,658,309,741.	2,941,745,107.
	21 Total liabilities (Part X, line 26)	1,639,474,037.	1,820,273,618.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,018,835,704.	1,121,471,489.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ JAMES STATEN, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Christopher B. Boggs | Preparer's signature: Christopher B. Boggs | Date: 8-17-15 | Check ☐ if self-employed | PTIN: P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP | Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204 | Phone no. 317-681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
TO PROVIDE HEALTH CARE SERVICES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ..... ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ..... ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 1,888,979,722. including grants of $ 3,684,031.) (Revenue $ 2,353,074,078.)
SEE SCHEDULE O.

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services (Describe in Schedule O.)
(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e Total program service expenses ▶ 1,888,979,722.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	X	
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	1650		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	8		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	13849		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	X	
b	If "Yes," enter the name of the foreign country: ▶ BERMUDA See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		5a		X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5b		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5c		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	27		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	21		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

KEITH TANDLER - 203-688-9642
789 HOWARD AVE, NEW HAVEN, CT 06519

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRUCE ALEXANDER TRUSTEE	1.00 0.00	X						0.	0.	0.
(2) ROBERT ALPERN TRUSTEE	1.00 0.00	X						0.	0.	0.
(3) MARNA BORGSTROM CEO	24.00 16.00	X		X				1,586,207.	1,057,471.	753,728.
(4) BISHOP THEODORE BROOKS TRUSTEE	1.00 0.00	X						0.	0.	0.
(5) VINCENT CALARCO SECRETARY	1.00 2.00	X		X				0.	0.	0.
(6) JOSEPH CRESPO CHAIRMAN	1.00 2.00	X		X				0.	0.	0.
(7) RICHARD D'AQUILA PRESIDENT	30.00 10.00	X		X				1,213,917.	404,640.	408,016.
(8) MARY FARRELL TRUSTEE	1.00 2.00	X						0.	0.	0.
(9) MICHAEL FLYNN TRUSTEE	1.00 1.00	X						0.	0.	0.
(10) WILLIAM GINSBERG TRUSTEE	1.00 0.00	X						0.	0.	0.
(11) THOMAS HANSON TRUSTEE	1.00 0.00	X						0.	0.	0.
(12) ROBERT HAVERSAT TRUSTEE	1.00 1.00	X		X				0.	0.	0.
(13) PETER HERBERT SR. VP	24.00 16.00	X		X				895,018.	596,680.	73,714.
(14) CARLTON HIGHSMITH TRUSTEE	1.00 0.00	X						0.	0.	0.
(15) THOMAS B. KETCHUM TRUSTEE	1.00 1.00	X						0.	0.	0.
(16) JOHN LAHEY TRUSTEE	1.00 2.00	X						0.	0.	0.
(17) MILES LASATER TRUSTEE	1.00 0.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) MARVIN LENDER TRUSTEE	1.00 2.00	X						0.	0.	0.
(19) LINDA KOCH LORIMER TRUSTEE	1.00 0.00	X						0.	0.	0.
(20) LINDA MASCI TRUSTEE	1.00 0.00	X						0.	0.	0.
(21) JULIA MCNAMARA VICE CHAIR	1.00 2.00	X		X				0.	0.	0.
(22) THANASIS MOLOKOTOS TRUSTEE	1.00 0.00	X						0.	0.	0.
(23) SISTER ROSEMARY MOYNIHAN TRUSTEE	1.00 0.00	X						0.	0.	0.
(24) PETER SALOVEY TRUSTEE	1.00 2.00	X						0.	0.	0.
(25) MICHAEL SPROULE TRUSTEE	1.00 0.00	X						0.	0.	0.
(26) JAMES TORGERSON TRUSTEE	1.00 1.00	X						0.	0.	0.
1b Sub-total ▶								3,695,142.	2,058,791.	1,235,458.
c Total from continuation sheets to Part VII, Section A ▶								9,972,491.	1,447,583.	3,027,943.
d Total (add lines 1b and 1c) ▶								13,667,633.	3,506,374.	4,263,401.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 1,735

		Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NURSEFINDERS, INC, 524 EAST LAMAR BLVD, SUITE 300, ARLINGTON, TX 76011	EMPLOYMENT SERVICES	6,616,495.
BERKLEY RESEARCH GROUP LLC, 2200 POWELL STREET, SUITE 200, EMERYVILLE, CA 94608	CONSULTING SERVICES	6,192,243.
UNITEX TEXTILE RENTAL, 161 SOUTH MACQESTEN PARKWAY, MOUNT VERNON, NY 10550	LAUNDERING SERVICE	5,536,247.
METROPOLITAN HEALTHCARE SERVICES, 555 HERNDON PARKWAY, SUITE 125, HERNDON, VA	SHUTTLE SERVICES	2,351,587.
DVA RENAL HEALTHCARE 2000 16TH STREET, DENVER, CO 80202	MEDICAL SERVICES	2,345,799.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 160

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) SUSAN WHETSTONE	1.00									
TRUSTEE	0.00	X						0.	0.	0.
(28) WILLIAM ASELTYNE	21.60									
SR. VP	18.40			X				420,461.	358,170.	232,850.
(29) DANIEL BARCHI	28.00									
SR. VP	12.00			X				541,834.	232,214.	267,528.
(30) THOMAS BALCEZAK	40.00									
SR. VP	0.00			X				603,004.	0.	197,365.
(31) PATRICIA SUE FITZSIMONS	40.00									
SR. VP	0.00			X				793,587.	0.	38,662.
(32) MICHEAL HOLMES	40.00									
SR. VP	0.00			X				454,142.	0.	191,949.
(33) THOMAS LEARY	38.00									
VP	2.00			X				421,795.	22,200.	171,864.
(34) ABE LOPMAN	40.00									
SR. VP	0.00			X				621,923.	0.	193,335.
(35) STEPHEN MERZ	40.00									
VP	0.00			X				357,202.	0.	138,323.
(36) KEVIN MYATT	24.00									
SR. VP	16.00			X				459,004.	306,003.	246,783.
(37) PAUL PATTON	40.00									
VP	0.00			X				517,857.	0.	161,203.
(38) VINCENT PETRINI	40.00									
SR. VP	0.00			X				569,586.	0.	189,661.
(39) CYNTHIA SPARER	40.00									
SR. VP	0.00			X				640,449.	0.	131,440.
(40) JAMES STATEN	24.00									
SR. VP	16.00			X				793,494.	528,996.	363,666.
(41) KEVIN WALSH	40.00									
VP	0.00			X				474,220.	0.	161,534.
(42) SUHER BAKER	40.00									
PHYSICIAN	0.00					X		449,604.	0.	35,058.
(43) MARJORIE GUGLIN	40.00									
VP	0.00					X		418,757.	0.	76,494.
(44) VICTOR MORRIS	40.00									
VP	0.00					X		475,337.	0.	96,334.
(45) THOMAS SWEENEY	40.00									
DIRECTOR	0.00					X		551,554.	0.	52,429.
(46) DIANE VORIO	40.00									
VP	0.00					X		408,681.	0.	81,465.
Total to Part VII, Section A, line 1c								9,972,491.	1,447,583	3,027,943.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	1,721,121.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	13,418,750.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	16,874,004.				
	g Noncash contributions included in lines 1a-1f: $		378,838.				
	h **Total.** Add lines 1a-1f			32,013,875.			
Program Service Revenue		Business Code					
	2a INPATIENT SERVICES	612990		1,321,863,698.	1,321,863,698.		
	b OUTPATIENT SERVICES	621400		1,015,754,150.	1,015,754,150.		
	c LABORATORY SERVICES	621500		734,786.		734,786.	
	d						
	e						
	f All other program service revenue						
	g **Total.** Add lines 2a-2f			2,338,352,634.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			3,099,719.			3,099,719.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6a Gross rents	557,947.					
	b Less: rental expenses	0.					
	c Rental income or (loss)	557,947.					
	d Net rental income or (loss)			557,947.	557,947.		
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	266,403,168.					
	b Less: cost or other basis and sales expenses	261,328,231.					
	c Gain or (loss)	5,074,937.					
	d Net gain or (loss)			5,074,937.			5,074,937.
	8a Gross income from fundraising events (not including $ 1,721,121. of contributions reported on line 1c). See Part IV, line 18	a	143,786.				
	b Less: direct expenses	b	618,503.				
	c Net income or (loss) from fundraising events			-474,717.			-474,717.
	9a Gross income from gaming activities. See Part IV, line 19	a	181,196.				
	b Less: direct expenses	b	92,346.				
	c Net income or (loss) from gaming activities			88,850.			88,850.
	10a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
	Miscellaneous Revenue	Business Code					
	11a OTHER ANCILIARY SERVICES	900099		14,887,049.	14,887,049.		
	b CAFETERIA/VENDING	900099		10,840,151.			10,840,151.
	c PARKING	900099		6,409,622.			6,409,622.
	d All other revenue	900099		1,077,729.	11,234.	1,066,495.	
	e **Total.** Add lines 11a-11d			33,214,551.			
	12 **Total revenue.** See instructions.			2,411,927,796.	2,353,074,078.	1,801,281.	25,038,562.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	3,646,031.	3,646,031.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	38,000.	38,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	16,170,713.		16,170,713.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	796,573,316.	626,758,516.	168,094,382.	1,720,418.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	56,615,290.	43,868,974.	12,630,871.	115,445.
9 Other employee benefits	105,774,976.	83,239,587.	22,271,828.	263,561.
10 Payroll taxes	59,719,618.	46,274,398.	13,323,447.	121,773.
11 Fees for services (non-employees):				
a Management				
b Legal	4,077,118.	3,167,513.	909,605.	
c Accounting	642,899.		642,899.	
d Lobbying	636,959.	636,959.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	534,193,733.	417,451,007.	115,875,784.	866,942.
12 Advertising and promotion	62,685.	48,700.	13,985.	
13 Office expenses	71,636,420.	55,500,859.	15,982,085.	153,476.
14 Information technology				
15 Royalties				
16 Occupancy	43,761,609.	33,998,394.	9,763,215.	
17 Travel	2,929,911.	2,210,089.	653,663.	66,159.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	56,373,528.	56,373,528.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	122,542,877.	95,203,569.	27,339,308.	
23 Insurance	14,809,219.	14,450,613.	358,606.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL & PHARMACY SUPP	392,296,540.	392,296,540.		
b LINEN & LAUNDERING SERV	5,894,430.	4,579,383.	1,315,047.	
c PROPERTY TAXES	4,202,536.	3,264,950.	937,586.	
d BOOKS & SUBS/DUES/FEES/	3,402,400.	2,536,466.	759,076.	106,858.
e All other expenses	7,802,442.	3,435,646.	990,260.	3,376,536.
25 **Total functional expenses.** Add lines 1 through 24e	2,303,803,250.	1,888,979,722.	408,032,360.	6,791,168.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	798,304.	1	942,030.
	2	Savings and temporary cash investments	85,147,935.	2	150,740,001.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	302,984,845.	4	312,337,411.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	27,341,514.	8	32,802,450.
	9	Prepaid expenses and deferred charges	122,316,376.	9	110,327,525.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 1,650,090,055.			
	b	Less: accumulated depreciation — 10b: 735,578,115.	941,077,053.	10c	914,511,940.
	11	Investments - publicly traded securities	458,558,301.	11	503,540,175.
	12	Investments - other securities. See Part IV, line 11	511,718,561.	12	685,861,806.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets	38,955,076.	14	44,817,878.
	15	Other assets. See Part IV, line 11	169,411,776.	15	185,863,891.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	2,658,309,741.	16	2,941,745,107.
Liabilities	17	Accounts payable and accrued expenses	316,936,555.	17	345,522,842.
	18	Grants payable		18	
	19	Deferred revenue	47,296,575.	19	44,378,312.
	20	Tax-exempt bond liabilities	556,562,209.	20	94,815,000.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	132,000,000.	23	182,725,000.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	586,678,698.	25	1,152,832,464.
	26	**Total liabilities.** Add lines 17 through 25	1,639,474,037.	26	1,820,273,518.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☒ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	931,200,888.	27	1,020,591,968.
	28	Temporarily restricted net assets	60,479,892.	28	64,973,848.
	29	Permanently restricted net assets	27,154,924.	29	35,905,673.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	1,018,835,704.	33	1,121,471,489.
	34	Total liabilities and net assets/fund balances	2,658,309,741.	34	2,941,745,107.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,411,927,796.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,303,803,250.
3	Revenue less expenses. Subtract line 2 from line 1	3	108,124,546.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,018,835,704.
5	Net unrealized gains (losses) on investments	5	66,072,221.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-71,560,982.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,121,471,489.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of monetary support
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990 .

OMB No. 1545-0047

2013

Name of the organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year ..... ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2		$ 6,600.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3		$ 11,625.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4		$ 10,480.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
5		$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
6		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
8		$ 35,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
9		$ 6,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
10		$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
11		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
12		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
14		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
15		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
16		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
17		$ 59,580.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
18		$ 21,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
20		$ 5,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
21		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
22		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
23		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
24		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
26		$ 6,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
27		$ 10,016.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
28		$ 5,220.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
29		$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
30		$ 8,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
32		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
33		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
34		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
35		$ 75,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
36		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37		$ 16,667.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
38		$ 57,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
39		$ 96,770.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
40		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
41		$ 49,863.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
42		$ 12,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43		$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
44		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
45		$ 11,620.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
46		$ 10,925.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
47		$ 8,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
48		$ 5,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
50		$ 24,739.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
51		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
52		$ 17,340.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
53		$ 3,492,249.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
54		$ 534,702.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55		$ 1,162,591.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
56		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
57		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
58		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
59		$ 82,210.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
60		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61		$ 22,300.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
62		$ 24,793.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
63		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
64		$ 5,575.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
65		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
66		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67		$ 22,859.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
68		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
69		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
70		$ 226,575.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
71		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
72		$ 22,552.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
73		$ 20,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
74		$ 8,080.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
75		$ 5,010.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
76		$ 8,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
77		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
78		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
79		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
80		$ 61,723.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
81		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
82		$ 6,400.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
83		$ 5,050.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
84		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
85		$ 6,925.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
86		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
87		$ 58,333.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
88		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
89		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
90		$ 10,758.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
91		$ 6,940.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
92		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
93		$ 88,168.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
94		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
95		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
96		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
97		$ 500,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
98		$ 6,632.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
99		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
100		$ 599,933.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
101		$ 17,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
102		$ 5,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
103		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
104		$ 102,925.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
105		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
106		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
107		$ 142,659.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
108		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
109		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
110		$ 30,979.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
111		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
112		$ 6,075.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
113		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
114		$ 7,968.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
115		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
116		$ 5,375.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
117		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
118		$ 381,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
119		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
120		$ 21,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
121		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
122		$ 7,193.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
123		$ 12,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
124		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
125		$ 12,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
126		$ 7,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
127		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
128		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
129		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
130		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
131		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
132		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
133		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
134		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
135		$ 50,572.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
136		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
137		$ 117,667.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
138		$ 15,150.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
139		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
140		$ 116,867.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
141		$ 58,333.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
142		$ 5,700.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
143		$ 7,596.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
144		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
145		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
146		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
147		$ 10,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
148		$ 9,904.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
149		$ 27,440.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
150		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
151		$ 45,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
152		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
153		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
154		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
155		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
156		$ 70,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
157		$ 189,943.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
158		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
159		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
160		$ 78,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
161		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
162		$ 483,400.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
163		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
164		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
165		$ 9,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
166		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
167		$ 48,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
168		$ 35,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
169		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
170		$ 5,800.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
171		$ 7,342.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
172		$ 5,001,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
173		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
174		$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
175		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
176		$ 14,869.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
177		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
178		$ 65,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
179		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
180		$ 6,394.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
181		$ 5,125.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
182		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
183		$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
184		$ 5,211.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
185		$ 96,077.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
186		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
187		$ 50,545.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
188		$ 11,065.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
189		$ 25,150.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
190		$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
191		$ 8,900.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
192		$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
193		$ 65,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
194		$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
195		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
196		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
197		$ 7,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
198		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
199		$ 7,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
200		$ 221,785.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
201		$ 45,864.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
202		$ 10,845.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
203		$ 10,194.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
204		$ 8,000.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
205		$ 10,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
206		$ 8,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
207		$ 16,600.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
208		$ 11,200.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
209		$ 6,500.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
210		$ 5,284.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
211		$ 5,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
212		$ 19,127.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
213		$ 6,995.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
214		$ 8,284.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
215		$ 5,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
216		$ 15,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
217		$ 11,900.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
218		$ 10,793,042.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
219		$ 42,943.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
220		$ 92,333.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
221		$ 276,673.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
222		$ 137,275.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
223		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
224		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
225		$ 119,405.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
226		$ 107,231.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
27	STOCKS	$ 10,016.	10/28/13
41	STOCKS	$ 49,863.	02/06/14
50	STOCKS	$ 24,739.	12/30/13
62	STOCKS	$ 24,793.	08/14/14
67	STOCKS	$ 19,859.	11/23/13
98	STOCKS	$ 6,632.	01/21/14

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
135	STOCKS	$ 50,572.	12/28/13
149	STOCKS	$ 27,440.	12/19/13
202	68 GIFT BAGS	$ 10,845.	01/16/14
203	SUNGLASSES, HANDBAGS, FRAMES AND VARIOUS MISC ITEMS	$ 10,194.	03/13/14
204	PORTRAITS SESSIONS	$ 8,000.	04/24/14
205	BREAKFAST ITEMS-COFFEE,JUICE,BAGELS	$ 10,000.	05/19/14

Schedule B (Form 990, 990-EZ, or 990-PF) (2013)

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
206	1000 ASSORTED TOYS, DOLLS, STUFFED ANIMALS	$ 8,000.	07/07/14
207	5- 7 NIGHTS HOTEL ACCOMMODATIONS, 1- 5 NIGHTS HOTEL ACCOMMODATIONS	$ 16,600.	02/07/14
208	FLOWER ARRANGEMENTS FOR A YEAR, EVENTS DECORATIONS, CENTER PIECES FOR EVENTS	$ 11,200.	04/28/14
209	6 XBOX 360'S WITH ACCESSORIES, GAMES, TOYS	$ 6,500.	01/08/14
210	SOFT TOYS	$ 5,284.	04/01/14
211	GIFT CARDS	$ 5,000.	05/06/14

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
212	2400 TEDDY BEARS	$ 19,127.	01/17/14
213	ASSORTED TOYS, ADOPT A FAMILY, PARKING PASSES	$ 6,995.	01/08/14
214	ASSORTMENT OF ELECTRONICS- VIDEO GAMES, COMPUTERS, GAMES GIFTCARDS	$ 8,284.	11/07/13
215	1428 SANDWICHES FOR BIKE RIDE EVENT	$ 5,000.	10/01/12
216	WATER BOTTLES, GIFT CARDS, FOOD	$ 15,000.	05/19/14
217	2 PHOTO SAFARI IN SOUTH AFRICA	$ 11,900.	05/01/14

Name of organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
YALE-NEW HAVEN HOSPITAL	06-0646652

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ▶ $
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?	X		500.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		375,576.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		260,883.
j Total. Add lines 1c through 1i			636,959.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE AMOUNT REPORTED IN "OTHER ACTIVITIES" REPRESENTS A PORTION OF PROFESSIONAL DUES ATTRIBUTABLE TO LOBBYING DURING 2014.

ALSO, THE HEALTH SYSTEM OFFICIALS HAD MEETINGS AND CONTACTS WITH STATE GOVERNMENT OFFICIALS, INCLUDING STATE LEGISLATORS AND THEIR STAFF TO DISCUSS VARIOUS HEALTH CARE REFORM PROPOSALS.

Part IV Supplemental Information *(continued)*

YALE-NEW HAVEN HOSPITAL IS PART OF A CONTROLLED GROUP WITH THE FOLLOWING LOBBYING EXPENSES:

GREENWICH HOSPITAL	EIN	06-0646659	$ 106,619
BRIDGEPORT HOSPITAL	EIN	06-0646554	$ 137,349

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
2a Total number of conservation easements	
2b Total acreage restricted by conservation easements	
2c Number of conservation easements on a certified historic structure included in (a)	
2d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	63,261,000.	63,422,000.	62,861,000.	68,085,000.	70,535,000.
b Contributions	3,493,000.		2,000.	2,000.	
c Net investment earnings, gains, and losses	11,289,000.	6,181,000.	7,683,000.	2,814,000.	5,501,000.
d Grants or scholarships					
e Other expenditures for facilities and programs	5,898,000.	6,342,000.	7,124,000.	8,040,000.	7,951,000.
f Administrative expenses					
g End of year balance	72,145,000.	63,261,000.	63,422,000.	62,861,000.	68,085,000.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 49.77 %
c Temporarily restricted endowment ▶ 50.23 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations — 3a(i)		X
(ii) related organizations — 3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? — 3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		38,363,668.		38,363,668.
b Buildings		251,635,202.	83,488,871.	168,146,331.
c Leasehold improvements		17,632,132.	12,739,698.	4,892,434.
d Equipment		1,314,855,764.	639,317,167.	675,538,597.
e Other		27,603,289.	32,379.	27,570,910.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				914,511,940.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) YALE ENDOWMENT FUND	685,861,806.	END-OF-YEAR MARKET VALUE
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	685,861,806.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DEFERRED FINANCING COSTS	9,285,229.
(2) OTHER ASSETS	127,145,259.
(3) MALPRACTICE RECEIVABLE	49,433,403.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	185,863,891.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED POST RETIREMENT BENEFITS	231,476,949.
(3) OTHER LONG TERM LIABILITIES	338,463,517.
(4) CAPITAL LEASES	50,682,028.
(5) DUE TO PARENT- T/E BOND LIABILITY	532,209,970.
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	1,152,832,464.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	2,432,058,569.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	75,948,922.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	-44,304,795.		
e	Add lines 2a through 2d			2e	31,644,127.
3	Subtract line 2e from line 1			3	2,400,414,442.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	11,513,354.		
c	Add lines 4a and 4b			4c	11,513,354.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	2,411,927,796.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	2,267,357,998.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines 2a through 2d			2e	0.
3	Subtract line 2e from line 1			3	2,267,357,998.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	36,445,252.		
c	Add lines 4a and 4b			4c	36,445,252.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	2,303,803,250.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE ENDOWED FUNDS' INTENDED USE IS TO GENERATE INCOME TO SUPPORT YALE-NEW HAVEN HOSPITAL PROGRAM SERVICE FUNCTIONS AND OTHER OPERATIONS IN ACCORDANCE WITH THE YALE-NEW HAVEN HOSPITAL POOLED INVESTMENT POLICY.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

FUNDING OF CLINICAL PROGRAMS	2,140,000.
NET ASSETS RELEASED FOR WINCHESTER/MCFADDEN/OTHER	6,832,953.
AMORTIZATION OF BOND TRANSACTION NET AGAINST REVENUE	-32,631,442.
CHANGE IN MARKET VALUE OF SWAPS	-16,357,411.
RECLASS EXPENSES NETTED WITH INVESTMENT INCOME TO EXPENSES	-4,288,895.

Part XIII Supplemental Information *(continued)*

TOTAL TO SCHEDULE D, PART XI, LINE 2D	-44,304,795.
PART XI, LINE 4B - OTHER ADJUSTMENTS:	
BEQUESTS, GIFTS & GRANTS	10,949,446.
INVESTMENT INCOME RELEASE FROM RESTRICTIONS	880,463.
AUXILIARY INCOME	394,297.
RECLASS FOR SPECIAL EVENTS	-710,852.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	11,513,354.
PART XII, LINE 4B - OTHER ADJUSTMENTS:	
AUXILIARY EXPENSES	235,767.
EXPENSE RECLASS TO SPECIAL EVENTS	-710,852.
FUNDRAISING EXPENSES RECLASS FROM INVESTMENT REVENUE	4,288,895.
RECLASS EXPENSES NETTED AGAINST INVESTMENT INCOME	32,631,442.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	36,445,252.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule F (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMERICA AND THE CARIBBEAN -	0	0	INSURANCE	N/A	33,345,328.
3 a Sub-total	0	0			33,345,328.
b Total from continuation sheets to Part I	0	0			0.
c **Totals** (add lines 3a and 3b)	0	0			33,345,328.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule F (Form 990) 2013**

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1	Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)*	☒ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report. (see Instructions for Form 5713)*	☒ Yes	☐ No

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

PART I, LINE 3:

COST

PART 1, LINE 3, COLUMN F:

EXPENSES $,4,373,902

INVESTMENTS $28,971,425

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 CLOSER TO FREE BIKE RI (event type)	(b) Event #2 GOLF EVENTS (event type)	(c) Other events 4 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	1,615,773.	116,247.	132,887.	1,864,907.
	2 Less: Contributions	1,533,379.	78,481.	109,261.	1,721,121.
	3 Gross income (line 1 minus line 2)	82,394.	37,766.	23,626.	143,786.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	27,300.			27,300.
	7 Food and beverages	17,393.	21,870.	30,504.	69,767.
	8 Entertainment				
	9 Other direct expenses	474,963.	41,428.	5,045.	521,436.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				618,503.
	11 Net income summary. Subtract line 10 from line 3, column (d) ▶				-474,717.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue			181,196.	181,196.
Direct Expenses	2 Cash prizes			48,000.	48,000.
	3 Noncash prizes				
	4 Rent/facility costs			27,300.	27,300.
	5 Other direct expenses			17,046.	17,046.
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☒ Yes 100.00 % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				92,346.
	8 Net gaming income summary. Subtract line 7 from line 1, column (d) ▶				88,850.

9 Enter the state(s) in which the organization operates gaming activities: CT

a Is the organization licensed to operate gaming activities in each of these states? ☒ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If "Yes," explain:

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☒ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☒ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	100.00 %
b An outside facility	13b	.00 %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☒ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____ .

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☒ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250 %	X	
3b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other ____ %		X
3c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
6b	If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		32,031	158,746,738.	26,576,218.	132,170,520.	5.74%
b Medicaid (from Worksheet 3, column a)		321,289	469,125,000.	247,464,000.	221,662,000.	9.62%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		353,320	627,872,738.	274,040,218.	353,832,520.	15.36%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	24	68,700	11,120,328.	3,181,691.	7,938,637.	.34%
f Health professions education (from Worksheet 5)	6	2,613	115,224,669.	21,366,078.	93,858,591.	4.07%
g Subsidized health services (from Worksheet 6)	1	17,661	8,807,309.	4,644,789.	4,162,520.	.18%
h Research (from Worksheet 7)	2		1,420,895.		1,420,895.	.06%
i Cash and in-kind contributions for community benefit (from Worksheet 8)	12	1,407	2,100,679.		2,100,679.	.09%
j **Total.** Other Benefits	45	90,381	138,673,880.	29,192,558.	109,481,322.	4.74%
k **Total.** Add lines 7d and 7j	45	443,701	766,546,618.	303,232,776.	463,313,842.	20.10%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1		75,000.	0.	75,000.	.00%
2	Economic development	1		435,087.	0.	435,087.	.02%
3	Community support	2	250	68,747.	0.	68,747.	.00%
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1		35,902.	0.	35,902.	.00%
7	Community health improvement advocacy						
8	Workforce development	2	36	186,001.	0.	186,001.	.01%
9	Other	1		2,669,031.	0.	2,669,031.	.12%
10	Total	8	286	3,469,768.		3,469,768.	.15%

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
Section A. Bad Debt Expense				
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 71,764,282.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 0.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5 593,971,325.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 717,571,589.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -123,600,264.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [X] Cost accounting system [ ] Cost to charge ratio [ ] Other			
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 NONE	NONE			

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 YALE-NEW HAVEN HOSPITAL 20 YORK STREET NEW HAVEN, CT 06504 WWW.YNHH.ORG 0044	X	X	X	X		X	X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group YALE-NEW HAVEN HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [ ] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] The process for consulting with persons representing the community's interests			
i [X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j [ ] Other (describe in Section C)			
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 12			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4		X
5 Did the hospital facility make its CHNA report widely available to the public?	5	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a [X] Hospital facility's website (list url): YNHH.ORG/ABOUT-US/CHNA.ASPX			
b [X] Other website (list url): SEE PART V			
c [X] Available upon request from the hospital facility			
d [ ] Other (describe in Section C)			
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a [X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b [X] Execution of the implementation strategy			
c [X] Participation in the development of a community-wide plan			
d [X] Participation in the execution of a community-wide plan			
e [X] Inclusion of a community benefit section in operational plans			
f [X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g [X] Prioritization of health needs in its community			
h [X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i [ ] Other (describe in Section C)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)* YALE-NEW HAVEN HOSPITAL

		Yes	No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %			
If "No," explain in Section C the criteria the hospital facility used.			
11 Used FPG to determine eligibility for providing *discounted* care?	11		X
If "Yes," indicate the FPG family income limit for eligibility for discounted care: ____ %			
If "No," explain in Section C the criteria the hospital facility used.			
12 Explained the basis for calculating amounts charged to patients?	12	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a [X] Income level			
b [ ] Asset level			
c [ ] Medical indigency			
d [X] Insurance status			
e [ ] Uninsured discount			
f [ ] Medicaid/Medicare			
g [ ] State regulation			
h [ ] Residency			
i [ ] Other (describe in Section C)			
13 Explained the method for applying for financial assistance?	13	X	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a [X] The policy was posted on the hospital facility's website			
b [X] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on request			
g [ ] Other (describe in Section C)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			

Part V Facility Information *(continued)* YALE-NEW HAVEN HOSPITAL

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a [X] Notified individuals of the financial assistance policy on admission
- b [X] Notified individuals of the financial assistance policy prior to discharge
- c [X] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d [X] Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e [ ] Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	X	

If "No," indicate why:

- a [ ] The hospital facility did not provide care for any emergency medical conditions
- b [ ] The hospital facility's policy was not in writing
- c [ ] The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d [ ] Other (describe in Section C)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a [ ] The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b [ ] The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c [ ] The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d [X] Other (describe in Section C)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	21		X
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	22		X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

PART V, SECTION A:

THIS STATE LICENSE FOR THE HOSPITAL LOCATION LISTED IN SCHEDULE H, PART V, SECTION A, ALSO COVERS VARIOUS SATELLITE LOCATIONS OPERATED UNDER AND EXPRESSLY LISTED ON THE SAME STATE HOSPITAL LICENSE.

YALE-NEW HAVEN HOSPITAL:

PART V, SECTION B, LINE 3:

COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS. YALE-NEW HAVEN HOSPITAL AND ITS COMMUNITY PARTNERS SOUGHT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL THROUGH COMMUNITY MEETINGS AND INCLUSION OF COMMUNITY PARTNERS IN THE PRIORITIZATION AND IMPLEMENTATION PLANNING PROCESS. PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS SHARED KNOWLEDGE AND EXPERTISE ABOUT HEALTH ISSUES, WHILE LEADERS AND REPRESENTATIVES OF NON-PROFIT AND COMMUNITY-BASED ORGANIZATIONS PROVIDED INSIGHT ON THE COMMUNITY SERVED BY THE HOSPITAL, INCLUDING MEDICALLY UNDERSERVED, LOW INCOME, AND MINORITY POPULATIONS.

PART V, SECTION B, LINE 5B - OTHER WEBSITES (LIST URL):

HTTP://WWW.CTDATAHAVEN.ORG/COMMUNITYINDEX

HTTP://WWW.CITYOFNEWHAVEN.COM/UPLOADS/2013_COMMUNITYINDEX%20REPORT.PDF

HTTPS://WWW.CFGNH.ORG/ABOUT/NEWSEVENTS/VIEWARTICLE/TABID/96/ARTICLEID/254/

HTTP://EPI.YALE.EDU/INDICATORS-IN-PRACTICE/GREATER-NEW-HAVEN-COMMUNITY-IND

HTTP://N2NLIFELINE.ORG/THE-DATA/

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

YALE-NEW HAVEN HOSPITAL:

PART V, SECTION B, LINE 7:

BASED ON THE FEEDBACK FROM COMMUNITY PARTNERS INCLUDING HEALTH PROVIDERS, PUBLIC HEALTH EXPERTS, HEALTH AND HUMAN SERVICE AGENCIES, AND OTHER COMMUNITY REPRESENTATIVES, SEVEN HEALTH ISSUES WERE PRIORITIZED: ACCESS TO CARE, ASTHMA, INJURY AND VIOLENCE, MATERNAL AND CHILD HEALTH, MENTAL HEALTH AND ADDICTIONS, OBESITY AND CHRONIC DISEASE AND SEXUALLY TRANSMITTED AND COMMUNICABLE DISEASES. YALE-NEW HAVEN HOSPITAL PLANS TO FOCUS ITS COMMUNITY HEALTH IMPROVEMENT EFFORTS ON THE FOLLOWING HEALTH PRIORITIES OVER THE NEXT THREE-YEAR CYCLE: ACCESS TO CARE, OBESITY AND CHRONIC DISEASE AND SOCIAL DETERMINANTS OF HEALTH. IN ADDITION, YALE-NEW HAVEN HOSPITAL WILL CONTINUE EXISTING PROGRAMS, SERVICES AND INITIATIVES IN THE AREAS OF ASTHMA, INJURY AND VIOLENCE, MATERNAL AND CHILD HEALTH, MENTAL HEALTH AND ADDICTIONS AND SEXUALLY TRANSMITTED AND COMMUNICABLE DISEASES.

YALE-NEW HAVEN HOSPITAL RECOGNIZES THAT PARTNERSHIPS WITH COMMUNITY AGENCIES HAVE THE BROADEST REACH TO IMPROVE COMMUNITY HEALTH ISSUES. AS SUCH, THE HOSPITAL IS PROVIDING FACILITATION SUPPORT FOR THE DEVELOPMENT OF A COMMUNITY-WIDE HEALTH IMPROVEMENT PLAN THAT WILL FOCUS ON ALL SEVEN AREAS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT.

YALE-NEW HAVEN HOSPITAL:

PART V, SECTION B, LINE 11:

THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THERE IS NO INCOME LIMITATION FOR ELIGIBILITY FOR DISCOUNTED CARE.

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

YALE-NEW HAVEN HOSPITAL:

PART V, SECTION B, LINE 20D:

PRIOR TO BECOMING FAP-ELIGIBLE, ALL INDIVIDUALS ARE CHARGED STANDARD GROSS CHARGES. AFTER AN INDIVIDUAL IS DEEMED TO BE FAP-ELIGIBLE, ANY DISCOUNTS OR FREE CARE ASSISTANCE DISCOUNTS ARE APPLIED IN ACCORDANCE WITH THE FAP PROGRAM THE INDIVIDUAL QUALIFIES FOR. THE DISCOUNTS ARE ADJUSTED OFF THE PATIENT'S ACCOUNT WHICH IS ALSO REFLECTED IN THE INDIVIDUAL'S BILLING.

PART V, SECTION D

THE FACILITY LOCATIONS LISTED IN SCHEDULE H, PART V, SECTION D,INCLUDE NON-HOSPITAL HEALTH CARE FACILITIES THAT YALE-NEW HAVEN HOSPITAL OPERATED DURING THE TAX YEAR, WHETHER OR NOT REQUIRED TO BE LICENSED OR REGISTERED UNDER STATE LAW, AS REQUIRED BY THE IRS. ALL SUCH LOCATIONS ARE OPERATED BY YALE-NEW HAVEN HOSPITAL UNDER THE YALE-NEW HAVEN HOSPITAL STATE HOSPITAL LICENSE.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 63

	Name and address	Type of Facility (describe)
1	BLOOD DRAW STATION 11 HARRISON AVE BRANFORD, CT 06405	BLOOD DRAW
2	CARDIAC OUTPATIENT SERVICES/YALE CARD 311 HARRISON AVENUE BRANFORD, CT 06405	CARDIAC SERVICES
3	SHORELINE DIALYSIS 34 EAST INDUSTRIAL RD BRANFORD, CT 06405	DIALYSIS
4	CARDIAC REHABILITATION CENTER 84 NORTH MAIN STREET BRANFORD, CT 06405	CARDIAC SERVICES
5	SRC WOMEN, INFANT & CHILDREN PROGRAM 141 MILL HILL AVENUE BRIDGEPORT, CT 06610	MEDICAL PROGRAM
6	BLOOD DRAW STATION 252 E MAIN STREET CLINTON, CT 06413	BLOOD DRAW
7	YALE-GRIFFIN PREVENTION RESEARCH CENT 130 DIVISION STREET DERBY, CT 06418	RESEARCH
8	SMILOW CANCER HOSPITAL CARE CENTER 350 SEYMOUR AVENUE DERBY, CT 06418	CANCER CENTER
9	DIAGNOSTIC RADIOLOGY/BLOOD DRAW STATI 317 FOXON ROAD EAST HAVEN, CT 06512	RADIOLOGY/BLOOD DRAW/URGENT CARE
10	BLOOD DRAW STATION 556 MAIN STREET EAST HAVEN, CT 06512	BLOOD DRAW

Part V | **Facility Information** *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
11 SMILOW CANCER HOSPITAL CARE CENTER 111 BEACH ROAD FAIRFIELD, CT 06824	CANCER CENTER
12 SMILOW/Y-NHH CHILDREN'S HOSPITAL 5 PERRYRIDGE ROAD GREENWICH, CT 06830	CANCER CENTER
13 OUTPATIENT PHYSICAL AND OCCUPATIONAL 1445 BOSTON POST ROAD GUILFORD, CT 06437	REHAB
14 HEART & VASCULAR OUTPATIENT SERVICES 1591 BOSTON POST ROAD STE. 202-203, S GUILFORD, CT 06437	CARDIAC SERVICES
15 YNHH - PEDIATRIC TREATMENT CENTER 405 CHURCH STREET GUILFORD, CT 06437	PEDIATRIC SERVICES
16 YNHH UROLOGY SERVICES AT HAMDEN 2200 WHITNEY AVE, 2ND FL HAMDEN, CT 06518	UROLOGY
17 YNHH UROLOGY 1291 BOSTON POST ROAD MADISON, CT 06443	UROLOGY
18 BLOOD DRAW 170 BOSTON POST ROAD MADISON, CT 06443	BLOOD DRAW
19 UROLOGY 6 WOODLAND MADISON, CT 06443	BLOOD DRAW/UROLOGY
20 MERIDEN DIALYSIS 377 RESEARCH PARKWAY MERIDEN, CT 06450	DIALYSIS

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
21 HEMATOLOGY & ONCOLOGY 455 LEWIS AVE MERIDEN, CT 06450	CANCER SERVICES
22 LAB 1 NEW HAVEN AVE MILFORD, CT 06460	BLOOD DRAW
23 LAB/MEDICAL OFFICE 247 BROAD STREET MILFORD, CT 06460	MEDICAL SERVICES
24 YNHH REHABILITATION AND DIAGNOSTIC RA 48 WELLINGTON ROAD MILFORD, CT 06460	REHAB/RADIOLOGY
25 HSR/MILFORD DIALYSIS 50 COMMERCE PARK DRIVE MILFORD, CT 06460	DIALYSIS
26 PEDIATRIC SPECIALTY CENTER 1 PARK STREET NEW HAVEN, CT 06511	PEDIATRIC SERVICES
27 GRIMES CENTER/SENIOR ASSESSMENT CENTE 1354 CHAPEL ST NEW HAVEN, CT 06511	ELDER CARE
28 DIALYSIS 137 WATER STREET NEW HAVEN, CT 06511	DIALYSIS
29 WOMEN & CHILDREN (WIC) @ HSR 1401 CHAPEL STREET, UNIT #4 NEW HAVEN, CT 06511	WIC PROGRAM
30 CENTER FOR WOMEN'S HEALTH 1441 CHAPEL STREET NEW HAVEN, CT 06511	OB/GYN SERVICES

Part V | **Facility Information** *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
31 AMITY PATIENT SERVICE CENTER 1453 WHALLEY AVENUE NEW HAVEN, CT 06511	PATIENT SERVICES
32 BLOOD DRAW STATION 1475 WHALLEY AVE. NEW HAVEN, CT 06511	BLOOD DRAW
33 BLOOD DRAW STATION/RADIOLOGY 150 SARGENT STREET NEW HAVEN, CT 06511	BLOOD DRAW/RADIOLOGY
34 TAKEHEART CARDIAC REHAB 175 SHERMAN AVENUE NEW HAVEN, CT 06511	CARDIAC SERVICES
35 ADVANCED CARE PROGRAMS 200 ORCHARD STREET NEW HAVEN, CT 06511	ELDER CARE
36 YNHH UROLOGY 330 ORCHARD ST. NEW HAVEN, CT 06511	UROLOGY
37 BLOOD DRAW STATION 46 PRINCE STREET, GROUND FLOOR NEW HAVEN, CT 06511	BLOOD DRAW
38 MCGIVNEY CANCER CENTER 659 GEORGE STREET NEW HAVEN, CT 06511	CANCER CARE
39 BLOOD DRAW STATION 789 HOWARD AVENUE NEW HAVEN, CT 06511	BLOOD DRAW
40 BLOOD DRAW STATION/RADIOLOGY 800 HOWARD AVE NEW HAVEN, CT 06511	BLOOD DRAW/RADIOLOGY

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
41 DIAGNOSTIC RADIOLOGY 801 HOWARD AVE NEW HAVEN, CT 06511	RADIOLOGY
42 YNHH ADLER GERIATRIC CENTER 874-878 HOWARD AVE NEW HAVEN, CT 06511	ELDER CARE
43 CARDIAC OUTPATIENT SERVICES 365 MONTAUK AVENUE NEW LONDON, CT 06320	CARDIAC SERVICES
44 RADIOLOGY 100 BROADWAY NORTH HAVEN, CT 06473	TEMPLE RADIOLOGY
45 BLOOD DRAW STATION/HEART & VASCULAR C 2 DEVINE STREET NORTH HAVEN, CT 06473	BLOOD DRAW/CARDIAC SERVICES
46 NORTH HAVEN DIALYSIS CENTER 266 STATE STREET NORTH HAVEN, CT 06473	DIALYSIS
47 BLOOD DRAW STATION/DIAGNOSTIC RADIOLO 6 DEVINE STREET, SUITE 2C NORTH HAVEN, CT 06473	BLOOD DRAW/RADIOLOGY/IMMUNOLOGY
48 YNHCH PEDIATRIC SPECIALTY CENTER AT N 747 BELDEN AVENUE NORWALK, CT 06850	PEDIATRIC SERVICES
49 BLOOD DRAW STATION/RADIOLOGY/IMMUNOLO 633 MIDDLESEX TURNPIKE OLD SAYBROOK, CT 06475	VARIOUS MEDICAL SERVICES
50 BLOOD DRAW STATION 236 BOSTON POST ROAD ORANGE, CT 06477	BLOOD DRAW

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
51 SMILOW CANCER HOSPITAL CARE CENTER 240 INDIAN RIVER ROAD ORANGE, CT 06477	CANCER CENTER
52 HEART & VASCULAR CENTER 325 BOSTON POST ROAD ORANGE, CT 06477	CARDIAC SERVICES
53 SMILOW CANCER HOSPITAL CARE CENTER 50 HOSPITAL HILL ROAD,1ST FLOOR SPACE SHARON, CT 06069	CANCER CENTER
54 YALE OBGYN 2 IVY BROOK SHELTON, CT 06484	OB/GYN SERVICES
55 BLOOD DRAW STATION 3115 MAIN STREET STRATFORD, CT 06614	BLOOD DRAW
56 SMILOW CANCER HOSPITAL CARE CENTER 200 KENNEDY DRIVE TORRINGTON, CT 06790	CANCER CENTER
57 SMILOW CANCER HOSPITAL CARE CENTER 5520 PARK AVENUE TRUMBULL, CT 06611	CANCER CENTER
58 BLOOD DRAW STATION 665 NORTH COLONY ROAD WALLINGFORD, CT 06492	BLOOD DRAW
59 SMILOW CANCER HOSPITAL CARE CENTER 1075 CHASE PARKWAY WATERBURY, CT 06708	CANCER CENTER
60 BLOOD DRAW STATION/URGENT CARE 500 ELM STREET WEST HAVEN, CT 06516	BLOOD DRAW/URGENT CARE

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
61 CARDIOLOGY ASSOCIATES/UROLOGY/MEDICAL 687 CAMPBELL AVE., 2ND FLOOR WEST HAVEN, CT 06516	UROLOGY
62 HEART & VASCULAR CENTER 5 PEQUOT PARK ROAD WESTBROOK, CT 06498	CARDIAC SERVICES
63 SMILOW ONCOLOGY 19 LUNAR DRIVE WOODBRIDGE, CT 06525	CANCER CARE

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THE FINANCIAL ASSISTANCE POLICY PROVIDES FOR ELIGIBILITY OF CARE REGARDLESS OF INCOME.

PART I, LINE 7:

THE HOSPITAL USES A COST ACCOUNTING SYSTEM, TSI, TO CALCULATE THE AMOUNTS PRESENTED IN PART I, LINE 7. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS.

PART III, LINE 2:

IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. THE HOSPITAL'S COST ACCOUNTING SYSTEM UTILIZES PATIENT-SPECIFIC DATA TO ACCUMULATE AND DERIVE COSTS RELATED TO THESE BAD DEBT ACCOUNTS.

PART II, COMMUNITY BUILDING ACTIVITIES:

YALE-NEW HAVEN HOSPITAL IS ONE OF THE LARGEST EMPLOYERS IN THE REGION AND THE SECOND LARGEST IN THE CITY OF NEW HAVEN WITH 12,152 EMPLOYEES IN 2014. THE HOSPITAL PROVIDES IN-KIND AND FINANCIAL SUPPORT FOR SEVERAL ECONOMIC INITIATIVES THROUGHOUT THE CITY OF NEW HAVEN. MEMBERS OF THE HOSPITAL'S LEADERSHIP AND MANAGEMENT STAFF ALSO SUPPORT ECONOMIC DEVELOPMENT BY SERVING ON THE BOARDS OF THE GREATER NEW HAVEN CHAMBER OF COMMERCE, GUILFORD CHAMBER OF COMMERCE, ECONOMIC DEVELOPMENT CORPORATION OF NEW HAVEN, REGIONAL GROWTH PARTNERSHIP, REGIONAL LEADERSHIP COUNCIL, ARTS COUNCIL OF GREATER NEW HAVEN, INTERNATIONAL FESTIVAL OF ARTS AND IDEAS, MARKET NEW HAVEN, TWEED NEW HAVEN, AND THE TENNIS FOUNDATION OF CONNECTICUT. THROUGH THESE ORGANIZATIONS, YALE-NEW HAVEN HOSPITAL ADVOCATES FOR AND FACILITATES INCREASED ECONOMIC DEVELOPMENT FOR THE AREA.

YALE-NEW HAVEN HOSPITAL, ALONG WITH MANY OTHER HOSPITALS ACROSS THE COUNTRY, UTILIZES THE COMMUNITY BENEFITS INVENTORY FOR SOCIAL ACCOUNTABILITY (CBISA) DATABASE DEVELOPED BY LYON SOFTWARE TO CATALOG ITS COMMUNITY BENEFIT AND COMMUNITY BUILDING ACTIVITIES AND THE GUIDELINES DEVELOPED BY THE CATHOLIC HOSPITAL ASSOCIATION (CHA) IN ORDER TO CATALOG THESE BENEFITS. THESE TWO ORGANIZATIONS HAVE WORKED TOGETHER FOR OVER 20 YEARS TO PROVIDE SUPPORT TO NOT-FOR-PROFIT HOSPITALS TO DEVELOP AND SUSTAIN EFFECTIVE COMMUNITY BENEFIT PROGRAMS. THE MOST RECENT VERSION OF THE CHA GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT DEFINES COMMUNITY BUILDING ACTIVITIES AS PROGRAMS THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, SUCH AS POVERTY, HOMELESSNESS AND ENVIRONMENTAL PROBLEMS. THESE ACTIVITIES ARE CATEGORIZED INTO EIGHT DISTINCT AREAS INCLUDING PHYSICAL IMPROVEMENT

Part VI Supplemental Information *(Continuation)*

AND HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT, ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, COALITION BUILDING, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS, AND WORKFORCE DEVELOPMENT. YALE NEW HAVEN HEALTH ENHANCES THE LIVES OF THOSE WE SERVE BY PROVIDING ACCESS TO INTEGRATED, HIGH-VALUE, PATIENT-CENTERED CARE IN COLLABORATION WITH OTHERS WHO SHARE OUR VALUES. AS SUCH, YALE-NEW HAVEN HOSPITAL IS INCREASINGLY AWARE OF HOW SOCIAL DETERMINANTS IMPACT THE HEALTH OF INDIVIDUALS AND COMMUNITIES. A PERSON'S HEALTH AND CHANCES OF BECOMING SICK AND DYING EARLY ARE GREATLY INFLUENCED BY POWERFUL SOCIAL FACTORS SUCH AS EDUCATION, INCOME, NUTRITION, HOUSING AND NEIGHBORHOODS. DURING FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL PROVIDED $3.5 MILLION IN FINANCIAL AND IN-KIND DONATIONS TO SUPPORT AFFORDABLE HOUSING PROGRAMS, JOB TRAINING, ECONOMIC DEVELOPMENT AND OTHER ESSENTIAL SERVICES. THE HOSPITAL CONSIDERS THESE INVESTMENTS PART OF ITS OVERALL COMMITMENT OF BUILDING STRONGER NEIGHBORHOODS. EXAMPLES BELOW FOCUS ON THE AREAS OF REVITALIZING OUR NEIGHBORHOODS, CREATING EDUCATIONAL OPPORTUNITIES, AND WORKFORCE DEVELOPMENT INITIATIVES.

REVITALIZING OUR NEIGHBORHOODS-

OVER THE PAST SEVERAL YEARS, YALE-NEW HAVEN HOSPITAL HAS MADE SIGNIFICANT INVESTMENTS TOWARDS THE REVITALIZATION OF THE CITY OF NEW HAVEN, ADDRESSING THE AREAS OF ADEQUATE, AFFORDABLE AND SAFE HOUSING. ACCORDING TO THE LATEST CENSUS DATA, 27% OF HOMES IN NEW HAVEN WERE OWNER-OCCUPIED COMPARED TO 63 PERCENT IN THE STATE OF CONNECTICUT. AS A RESULT, THE NEW HAVEN POPULATION IS INCREASINGLY MOBILE. TO REVERSE THIS TREND, YALE-NEW HAVEN HOSPITAL HAS FOCUSED ON INCREASING PERMANENT HOME OWNERSHIP THROUGH THE FOLLOWING TWO INITIATIVES.

Part VI Supplemental Information (Continuation)

IN 2006, YALE-NEW HAVEN HOSPITAL AND ITS MEDICAL STAFF BEGAN A MULTI-YEAR PARTNERSHIP WITH HABITAT FOR HUMANITY OF GREATER NEW HAVEN TO BUILD HOMES IN NEW HAVEN'S HILL NEIGHBORHOOD FOR LOW-INCOME FAMILIES. TO DATE, THIS COLLABORATION HAS JOINTLY BUILT SIX HOMES WITH THE MOST RECENT BUILD COMPLETED IN 2013. OVER 300 EMPLOYEE VOLUNTEERS HAVE COLLECTIVELY INVESTED MORE THAN 4,000 HOURS IN THIS PROJECT, WHILE YALE-NEW HAVEN HOSPITAL SPONSORED THE BUILDING MATERIALS FOR EACH HOME.

THE HOME OWNERSHIP MADE EASIER (H.O.M.E.) PROGRAM AT YALE-NEW HAVEN HOSPITAL PROVIDES HOSPITAL EMPLOYEES WITH UP TO $10,000 IN FORGIVABLE LOANS TO HELP PURCHASE THEIR FIRST HOME IN THE CITY OF NEW HAVEN. THIS YEAR, THE PROGRAM HELPED 16 EMPLOYEES AND THEIR FAMILIES. SINCE THE PROGRAM'S INCEPTION IN 2006, A TOTAL OF 119 HOMES HAVE BEEN PURCHASED BY YALE-NEW HAVEN HOSPITAL EMPLOYEES. TO DATE $902,500 IN FINANCIAL ASSISTANCE HAS BEEN PROVIDED TO EMPLOYEES IN THE FORM OF DOWN PAYMENTS AND MORTGAGE PAYMENTS. AMONG THE HOMES PURCHASED THROUGH THE H.O.M.E. PROGRAM WAS ONE HABITAT FOR HUMANITY PROPERTY.

RESULTS FROM THE FALL 2012 COMMUNITY ALLIANCE FOR RESEARCH AND ENGAGEMENT AT YALE SCHOOL OF PUBLIC HEALTH SURVEY OF NEW HAVEN'S LOW-INCOME NEIGHBORHOODS, INCLUDING THE HILL NORTH NEIGHBORHOOD WHERE THE HOSPITAL IS LOCATED, PROVIDE EVIDENCE THAT ACCESS TO HEALTHY AFFORDABLE FOOD IS A MAJOR PUBLIC HEALTH CONCERN. FOR EXAMPLE, ABOUT 40% OF RESPONDENTS SAID THEY WERE NOT ALWAYS ABLE TO AFFORD TO BUY VEGETABLES, FRUIT, HEALTHY OILS OR WHOLE GRAINS. OVER THE PAST FOUR YEARS, YALE-NEW HAVEN HOSPITAL HAS BEEN A PROUD SPONSOR, ALONG WITH THE CONNECTICUT MENTAL HEALTH CENTER, OF THE CITY SEED, INC. FARMER'S MARKET IN THE HILL NEIGHBORHOOD. THE FARMER'S MARKET IS HELD IN THE CONNECTICUT MENTAL HEALTH CENTER PARKING LOT ADJACENT TO THE YALE-NEW

Part VI Supplemental Information (Continuation)

HAVEN HOSPITAL'S YORK STREET CAMPUS EACH YEAR FROM JUNE THROUGH OCTOBER AND OFFERS HEALTHY, AFFORDABLE FOOD FOR LOCAL RESIDENTS. IN ADDITION, AS PART OF A SUSTAINABILITY PROGRAM AIMED AT ADDRESSING FOOD INSECURITY, YALE-NEW HAVEN HOSPITAL AND ROCK AND WRAP IT UP! TEAMED UP TO RECOVER FOOD THAT HAS BEEN PREPARED BUT NOT SERVED FROM THE HOSPITAL AND DONATED IT TO THE COMMUNITY SOUP KITCHEN AT CHRIST CHURCH AND ST. LUKE'S EPISCOPAL CHURCH IN NEW HAVEN AS WELL AS ST. ANN'S SOUP KITCHEN IN HAMDEN.

THE 2013-2014 HOSPITAL-SPONSORED, EMPLOYEE UNITED WAY CAMPAIGN RAISED OVER $148,450 TO SUPPORT THE NONPROFITS SERVED BY THE GREATER NEW HAVEN UNITED WAY. THROUGH THE HOSPITAL'S ANNUAL SCHOOL READINESS DRIVE, WHICH IS PART OF THE CAMPAIGN, EMPLOYEES DONATED APPROXIMATELY 14,000 SCHOOL SUPPLIES TO STUDENTS AT TWO NEW HAVEN ELEMENTARY SCHOOLS IN NEW HAVEN'S HILL COMMUNITY. IN ADDITION TO RUNNING THE INTERNAL CAMPAIGN, MEMBERS OF HOSPITAL LEADERSHIP SERVE ON GREATER NEW HAVEN UNITED WAY BOARD AND VARIOUS COMMITTEES. YALE-NEW HAVEN HOSPITAL STAFF ALSO PARTICIPATED IN ADOPT-A-FAMILY ACTIVITIES AND A SEVERAL WINTER COAT, PERSONAL CARE ITEM AND DIAPER DRIVES.

REPRESENTATIVES FROM THE HOSPITAL REGULARLY SERVE ON FOUR OF THE CITY OF NEW HAVEN POLICE DEPARTMENT COMMUNITY SUBSTATION MANAGEMENT TEAMS WHILE ATTENDING OTHER MEETINGS ON AN AD HOC BASIS. THE DECENTRALIZATION OF POLICE SERVICES AND THE ESTABLISHMENT OF SUBSTATION MANAGEMENT TEAMS IN EACH OF NEW HAVEN'S 10 COMMUNITY POLICING DISTRICTS HAS BEEN ONE OF THE MOST IMPORTANT COMMUNITY POLICING INITIATIVES IN NEW HAVEN. COMMUNITY SUBSTATION MANAGEMENT TEAMS HELP IDENTIFY AND DEVELOP STRATEGIES TO RESOLVE NEIGHBORHOOD PROBLEMS UTILIZING LOCAL RESOURCES. THE MANAGEMENT TEAMS ARE COMPRISED OF THE POLICE SUPERVISOR, BEAT OFFICERS, BLOCK WATCH MEMBERS, ALDERPERSONS, REPRESENTATIVES OF

Part VI Supplemental Information *(Continuation)*

NEIGHBORHOOD BASED AGENCIES, SUCH AS THE HOSPITAL, AND ANY CITIZEN WHO TAKES AN ACTIVE INTEREST IN NEIGHBORHOOD IMPROVEMENT.

CREATING EDUCATIONAL OPPORTUNITIES-

HIGHER EDUCATIONAL ATTAINMENT IS ASSOCIATED WITH BETTER HEALTH STATUS AND LONGER LIFE. FOR EXAMPLE, ADULTS AGED 25-50 YEARS WHO HAVE A COLLEGE DEGREE WILL ON AVERAGE LIVE FIVE YEARS LONGER THAN THOSE WITH LESS THAN A HIGH SCHOOL EDUCATION. ACCORDING TO RECENT CENSUS STATISTICS, ONLY 80.5% OF INDIVIDUALS IN THE CITY OF NEW HAVEN HAD ATTAINED THE EQUIVALENT OF A HIGH SCHOOL EDUCATION OR GREATER COMPARED TO NEARLY 90% STATEWIDE. ADDITIONALLY, NEW HAVEN YOUTH HAVE LOWER HIGH SCHOOL COMPLETION RATES AND SCORE WELL BELOW THEIR STATE-WIDE PEERS ON THE CONNECTICUT MASTERY TEST. IN RESPONSE TO THESE STATISTICS, YALE-NEW HAVEN HOSPITAL SUPPORTED A VARIETY OF EDUCATIONAL PROGRAMS IN 2014.

IN 2011, REFLECTING ITS STRONG COMMITMENT TO THE NEW HAVEN COMMUNITY AND SUPPORT OF EDUCATION, YALE-NEW HAVEN HOSPITAL COMMITTED TO A MULTI-YEAR CONTRIBUTION TOTALING $2.0 MILLION OVER FOUR YEARS TO SUPPORT NEW HAVEN PROMISE. NEW HAVEN PROMISE IS A COLLEGE SCHOLARSHIP AND SUPPORT PROGRAM FOR THE CITY'S PUBLIC SCHOOL STUDENTS. YALE-NEW HAVEN'S CONTRIBUTION FUNDS THE INITIATIVE'S PARTNERSHIP COMPONENT. ITS GOAL IS TO MAKE HIGHER EDUCATION AN EXPECTATION AND REALITY FOR MORE NEW HAVEN STUDENTS. THE PROGRAM IS ADMINISTERED BY THE COMMUNITY FOUNDATION OF GREATER NEW HAVEN. THOUGH THE IMPACT OF THE NEW HAVEN PROMISE PROGRAM WILL NOT BE MEASURABLE FOR SEVERAL YEARS, NEW HAVEN PROMISE HAS OVER 220 STUDENTS ENROLLED IN 17 CONNECTICUT COLLEGES AND UNIVERSITIES. FOR A SIXTH YEAR, YALE-NEW HAVEN PROVIDED SCHOLARSHIP OPPORTUNITIES FOR STUDENTS ATTENDING ACHIEVEMENT FIRST'S NEW HAVEN SCHOOLS. ACHIEVEMENT FIRST OPERATES A NETWORK OF 17 PUBLIC CHARTER SCHOOLS IN NEW HAVEN, BRIDGEPORT AND

Part VI Supplemental Information (Continuation)

HARTFORD, CT, AND BROOKLYN, NY. APPROXIMATELY 1,400 STUDENTS ATTEND THE ACHIEVEMENT FIRST NEW HAVEN SCHOOLS. THE 12-YEAR HISTORY OF ACHIEVEMENT FIRST PROVES THAT THE ACHIEVEMENT GAP CAN BE CLOSED.

OVER THE PAST SEVERAL YEARS, THE HOSPITAL HAS PROVIDED IN-KIND STAFF SUPPORT FOR THE CITY OF NEW HAVEN'S YOUTH @ WORK PROGRAM. YOUTH @ WORK IS A PUBLIC-PRIVATE PARTNERSHIP OF THE CITY OF NEW HAVEN, THE NEW HAVEN BOARD OF EDUCATION AND WORKFORCE ALLIANCE. THE PROGRAM PROVIDES SUMMER AND YEAR-ROUND OPPORTUNITIES, WORK PLACE EXPOSURE AND WORK READINESS ACTIVITIES TO YOUTH WHO MAY BE CHALLENGED BY SOCIO-ECONOMIC OR ACADEMIC BARRIERS TO WORKPLACE SUCCESS. THE PROGRAM TARGETS IN-SCHOOL YOUTH, AGES 14-21, WHO ARE NEW HAVEN RESIDENTS OR ATTEND NEW HAVEN PUBLIC SCHOOLS. EARLY WORK EXPERIENCES SERVE AS THE FOUNDATION FOR FUTURE SUCCESS IN THE WORKPLACE AND HAVE PROVEN EFFECTIVE IN HELPING YOUTH ESTABLISH CONNECTIONS WITH EMPLOYERS, ENCOURAGE RESPONSIBILITY, FOSTER INDEPENDENCE, DEVELOP TECHNICAL SKILLS, DEVELOP COMMUNICATION AND INTERPERSONAL SKILLS, CLARIFY WORK VALUES AND FUTURE WORK PREFERENCES AND ALLOW FOR INTERACTION WITH CARING ADULTS. IN 2014, FOUR STUDENTS PARTICIPATING IN THE YOUTH @ WORK PROGRAM WERE PLACED AT YALE-NEW HAVEN.

THE YALE-NEW HAVEN HOSPITAL SCHOOL-TO-CAREER PROGRAM IS A MULTIFACETED INTERNSHIP AND MENTORING PROGRAM FOR NEW HAVEN PUBLIC HIGH SCHOOL STUDENTS. COMPONENTS INCLUDE AN INTERNSHIP PROGRAM (CLINICAL CAREER PATHWAYS, BUSINESS AND NON-CLINICAL TECHNICAL AND GENERAL), DEVELOPING TOMORROW'S PROFESSIONALS PROGRAM, YALE-NEW HAVEN HOSPITAL AND ACES YOUTH EMPLOYABILITY PROGRAM. OVER 30 STUDENTS PARTICIPATED IN THE SCHOOL-TO-CAREER PROGRAM IN 2014. IN ADDITION TO THE SCHOOL-TO CAREER PROGRAM, THE HOSPITAL REGULARLY HOSTS SEVERAL SCHOOL TOURS OF THE LABORATORY, DIETARY, PHARMACY, AND OTHER AREAS PROVIDING INSIGHT INTO

VARIOUS HEALTH CARE CAREER OPPORTUNITIES FOR STUDENTS.
THE HOSPITAL HAS PARTNERSHIPS WITH THREE LOCAL SCHOOLS. THE HILL REGIONAL CAREER HIGH SCHOOL PARTNERSHIP PROVIDES STUDENTS THE OPPORTUNITY TO EXPLORE MEDICAL AND OTHER HOSPITAL CAREERS, AS WELL AS OBTAIN A CERTIFICATION AS A NURSE ASSISTANT. THE JOHN C. DANIELS SCHOOL PARTNERSHIP INCLUDES AN ANNUAL "MOCK TRIAL" THROUGH THE HOSPITAL'S LEGAL & RISK MANAGEMENT DEPARTMENT, WHICH PROVIDES STUDENTS AN OPPORTUNITY TO PARTICIPATE IN AN ACTUAL TRIAL AT THE FEDERAL COURTHOUSE COMPLETE WITH A SUPERIOR COURT JUDGE. THE WASHINGTON ELEMENTARY SCHOOL PARTNERSHIP PROVIDES STUDENTS WITH ACADEMIC EXPERIENCES THAT DEMONSTRATE THE RELEVANCE OF CLASSROOM CURRICULUM TO SKILLS NEEDED IN THE WORKPLACE AND EXPOSES THEM TO CAREERS IN HEALTH CARE.
IN FISCAL YEAR 2014, YALE-NEW HAVEN HONORED THE LEGACY OF REVEREND MARTIN LUTHER KING, JR. THROUGH AWARDS AND SCHOLARSHIPS TO ENCOURAGE THE NEXT GENERATION OF COMMUNITY LEADERS. THIS INCLUDED A $1,000 COMMUNITY SERVICE AWARD TO THREE HIGH SCHOOL STUDENTS IN NEW HAVEN WHO SET AN EXAMPLE IN THE COMMUNITY AND GRANTS TOTALING $3,000 TO NEW HAVEN K - 8 SCHOOLS IN SUPPORT OF MARTIN LUTHER KING, JR. DAY ACTIVITIES THAT CARRY ON THE FALLEN CIVIL RIGHTS LEADER'S WORK AND PHILOSOPHY.
STUDENT NUTRITION IS ANOTHER AREA OF FOCUS FOR YALE-NEW HAVEN HOSPITAL, SINCE MISSING OR SKIPPING MEALS UNDERMINES CHILDREN'S ACADEMIC PERFORMANCE. IN 2014, YALE-NEW HAVEN PROVIDED A GRANT TO SUPPORT THE FOOD AND NUTRITION PROGRAM AT ST. MARTIN DE PORRES ACADEMY. AS PART OF ITS PARTNERSHIP WITH THE WASHINGTON ELEMENTARY SCHOOL, THE HOSPITAL PROVIDED IN-KIND RESOURCES TO SUPPORT EDUCATION INITIATIVES RELATED TO FOOD AND NUTRITION. ADDITIONALLY, THE HOSPITAL'S OUTPATIENT NUTRITION COORDINATOR CONTINUED TO SERVE IN AN ADVISORY AND EDITORIAL CAPACITY FOR A STATE-WIDE HEALTHY BEATS NEWSLETTER FOR MIDDLE AND HIGH SCHOOL

Part VI Supplemental Information *(Continuation)*

STUDENTS. YALE-NEW HAVEN ALSO PROVIDES SUPPORT TO OTHER ORGANIZATIONS ADDRESSING THE ISSUE OF FOOD INSECURITY.

IN ADDITION TO SUPPORTING YOUTH THROUGH ITS PARTNERS IN EDUCATION PROGRAMS AND COMMUNITY INVESTMENT PROGRAMS, THE HOSPITAL DONATES ANNUALLY TO LOCAL NON-PROFIT ORGANIZATIONS THAT SERVE YOUTH WITH EDUCATIONAL PROGRAMS, AFTER-SCHOOL AND ENRICHMENT ACTIVITIES, SKILL BUILDING AND PROVIDING A PLACE TO CALL HOME. IN FISCAL YEAR 2014, THESE ORGANIZATIONS INCLUDED ACES, BOYS & GIRLS CLUB OF NEW HAVEN, CONCEPTS FOR ADAPTIVE LEARNING, FAMILY CENTERED SERVICES OF CT, L.E.A.P., SOLAR YOUTH, AND MORE.

WORKFORCE DEVELOPMENT INITIATIVES-

LIKE MANY CITIES ACROSS THE COUNTRY, THE NEW HAVEN WORKFORCE HAS EXPERIENCED DIFFICULT TIMES DURING THE ECONOMIC DOWNTURN. ACCORDING TO RECENT CENSUS INFORMATION, THE UNEMPLOYMENT RATE IN THE CITY OF NEW HAVEN WAS 12.1% COMPARED TO 8.4% STATE-WIDE. AS WITH EDUCATIONAL ACHIEVEMENT, THERE IS STRONG EVIDENCE THAT HIGHER SOCIAL AND ECONOMIC STATUS AND SMALL GAPS IN INCOME EQUALITY ARE ASSOCIATED WITH BETTER HEALTH. AS THE SECOND LARGEST EMPLOYER IN NEW HAVEN, YALE-NEW HAVEN HOSPITAL PROVIDES IN-KIND AND FINANCIAL SUPPORT FOR EMPLOYMENT AND TRAINING PROGRAMS OFFERED BY AREA NOT-FOR-PROFIT ORGANIZATIONS SUCH AS THE ONES DESCRIBED BELOW.

IN 2011, YALE-NEW HAVEN COMMITTED TO A MULTI-YEAR DONATION TOTALING $500,000 OVER FOUR YEARS TO SUPPORT THE CONNECTICUT CENTER FOR ARTS AND TECHNOLOGY (CONNCAT), WHICH PROVIDES TRAINING FOR APPROXIMATELY 100 LOCAL UNEMPLOYED AND UNDEREMPLOYED ADULTS A YEAR FOR PHLEBOTOMY, MEDICAL CODING AND BILLING JOBS. THE HOSPITAL ALSO PROVIDES INTERNSHIPS FOR STUDENTS BEING TRAINED AT CONNCAT. IN ADDITION TO FINANCIAL

SUPPORT, STAFF MEMBERS FROM THE HOSPITAL SERVE ON THE CONNCAT BOARD OF DIRECTORS AND IN AN ADVISORY CAPACITY FOR THE DEVELOPMENT OF THE PROGRAM'S CURRICULUM. IN 2014, OVER 100 YOUTH IN GRADES 4-11 PARTICIPATED IN CONNCAT'S YEAR ROUND PROGRAM AND 46 ADULT LEARNERS WERE ENROLLED IN THEIR PHLEBOTOMY AND MEDICAL CODING JOB TRAINING PROGRAMS WITH 100% PLACEMENT AND COMPLETION OF OFFSITE EXTERNSHIPS PROVIDING HANDS ON EXPERIENCE. OVER 73% OF CONNCAT GRADUATES ARE NOW EMPLOYED. SINCE 1996, THE HOSPITAL'S AWARD-WINNING HOPE (HAVING AN OPPORTUNITY TO PREPARE FOR EMPLOYMENT) TRAINING AND SKILLS DEVELOPMENT PROGRAM HAS HELPED MORE THAN 100 ADULTS TRANSITION FROM INCOME SUPPORT SITUATIONS INTO EMPLOYMENT. INITIALLY TARGETED TO WOMEN, THE PROGRAM NOW INCLUDES MEN. PARTICIPANTS RECEIVE CLASSROOM TRAINING AND ONE-ON-ONE MENTORING ON TOPICS SUCH AS INTERVIEWING, RESUME PREPARATION, TIME MANAGEMENT AND CUSTOMER SERVICES, AND ARE TAUGHT ABOUT WORKPLACE DIVERSITY AND MEETING EMPLOYER EXPECTATIONS.

HOSPITAL LEADERSHIP SERVES ON THE ADVISORY COMMITTEE FOR THE NEW HAVEN REENTRY ROUNDTABLE EMPLOYMENT COMMITTEE, FELLOWSHIP PLACE, JOB CORPS AND THE NEWLY FORMED STATE-WIDE HEALTH AND LIFE SCIENCES ADVISORY BOARD AS WELL AS THE GOVERNING BOARDS OF CAREER RESOURCES, INC. AND THE WORKFORCE ALLIANCE.

PART III, LINE 4:

Y-NHH'S COMMITMENT TO COMMUNITY SERVICE IS EVIDENCED BY SERVICES PROVIDED TO THE INDIGENT AND BENEFITS PROVIDED TO THE BROADER COMMUNITY. SERVICES PROVIDED TO THE INDIGENT INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED.

Y-NHH MAKES AVAILABLE FREE CARE PROGRAMS FOR QUALIFYING PATIENTS. IN

ACCORDANCE WITH THE ESTABLISHED POLICIES OF Y-NHH, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY Y-NHH TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. FOR PATIENTS WHO DO NOT AVAIL THEMSELVES OF ANY FREE CARE PROGRAM AND WHOSE ABILITY TO PAY CANNOT BE DETERMINED BY Y-NHH, CARE GIVEN BUT NOT PAID FOR, IS CLASSIFIED AS CHARITY CARE. DURING THE YEAR ENDED SEPTEMBER 30, 2014, Y-NHH AMENDED ITS CHARITY CARE POLICY. BASED UPON THE POLICY CHANGE, Y-NHH EXPERIENCED INCREASED CHARITY CARE WRITE-OFFS DURING THE YEAR. TOGETHER, CHARITY CARE AND BAD DEBT EXPENSE REPRESENT UNCOMPENSATED CARE. THE ESTIMATED COST OF TOTAL UNCOMPENSATED CARE IS APPROXIMATELY $132.4 MILLION AND $115.0 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF UNCOMPENSATED CARE IS BASED ON THE RATIO OF COST TO CHARGES, AS DETERMINED BY CLAIMS ACTIVITY.

THE ESTIMATED COST OF CHARITY CARE PROVIDED WAS $85.3 MILLION AND $54.3 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF CHARITY CARE IS BASED ON THE RATIO OF COST TO CHARGES. THE ALLOCATION BETWEEN BAD DEBT AND CHARITY CARE IS DETERMINED BASED ON MANAGEMENT'S ANALYSIS ON THE PREVIOUS 12 MONTHS OF HOSPITAL DATA. THIS ANALYSIS CALCULATES THE ACTUAL PERCENTAGE OF ACCOUNTS WRITTEN OFF OR DESIGNATED AS BAD DEBT VERSUS CHARITY CARE WHILE TAKING INTO ACCOUNT THE TOTAL COSTS INCURRED BY THE HOSPITAL FOR EACH ACCOUNT ANALYZED.

FOR THE YEARS ENDED SEPTEMBER 30,2014 AND 2013, BAD DEBT EXPENSE, AT CHARGES, WAS $72.8 MILLION AND $82.2 MILLION, RESPECTIVELY. FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, BAD DEBT EXPENSE, AT COST, WAS $47.1 MILLION AND $60.7 MILLION, RESPECTIVELY. THE BAD DEBT EXPENSE IS MULTIPLIED BY THE RATIO OF COST TO CHARGES FOR PURPOSES OF INCLUSION IN

Part VI Supplemental Information *(Continuation)*

THE TOTAL UNCOMPENSATED CARE AMOUNT IDENTIFIED ABOVE.

THE CONNECTICUT DISPROPORTIONATE SHARE HOSPITAL PROGRAM (CDSHP) WAS ESTABLISHED TO PROVIDE FUNDS TO HOSPITALS FOR THE PROVISION OF UNCOMPENSATED CARE AND IS FUNDED, IN PART, BY AN ASSESSMENT ON HOSPITAL NET PATIENT SERVICE REVENUE. DURING THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, THE HOSPITAL RECEIVED $26.6 MILLION AND $58.0 MILLION, RESPECTIVELY, IN CDSHP DISTRIBUTIONS, OF WHICH APPROXIMATELY $17.1 MILLION AND $33.3 MILLION, RESPECTIVELY WAS RELATED TO CHARITY CARE. Y-NHH MADE PAYMENTS INTO THE CDSHP OF $73.5 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY, FOR THE ASSESSMENT. ADDITIONALLY, Y-NHH PROVIDES BENEFITS FOR THE BROADER COMMUNITY WHICH INCLUDES SERVICES PROVIDED TO OTHER NEEDY POPULATIONS THAT MAY NOT QUALIFY AS INDIGENT BUT NEED SPECIAL SERVICES AND SUPPORT. BENEFITS INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION OF THE GENERAL COMMUNITY, INTERNS AND RESIDENTS, HEALTH SCREENINGS, AND MEDICAL RESEARCH. THE BENEFITS ARE PROVIDED THROUGH THE COMMUNITY HEALTH CENTERS, SOME OF WHICH SERVICE NON-ENGLISH SPEAKING RESIDENTS, DISABLED CHILDREN, AND VARIOUS COMMUNITY SUPPORT GROUPS. Y-NHH VOLUNTARILY ASSISTS WITH THE DIRECT FUNDING OF SEVERAL CITY OF NEW HAVEN PROGRAMS, INCLUDING AN ECONOMIC DEVELOPMENT PROGRAM AND A YOUTH INITIATIVE PROGRAM.

IN ADDITION TO THE QUANTIFIABLE SERVICES DEFINED ABOVE, Y-NHH PROVIDES ADDITIONAL BENEFITS TO THE COMMUNITY THROUGH ITS ADVOCACY OF COMMUNITY SERVICE BY EMPLOYEES. Y-NHH'S EMPLOYEES SERVE NUMEROUS ORGANIZATIONS THROUGH BOARD REPRESENTATION, MEMBERSHIP IN ASSOCIATIONS AND OTHER RELATED ACTIVITIES. Y-NHH ALSO SOLICITS THE ASSISTANCE OF OTHER HEALTHCARE PROFESSIONALS TO PROVIDE THEIR SERVICES AT NO CHARGE THROUGH PARTICIPATION IN VARIOUS COMMUNITY SEMINARS AND TRAINING PROGRAMS.

Part VI Supplemental Information *(Continuation)*

PART III, LINE 8:

THE ENTIRE MEDICARE LOSS PRESENTED SHOULD BE TREATED AS A COMMUNITY BENEFIT FOR THE FOLLOWING REASONS: THE IRS COMMUNITY BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO MEDICARE BENEFICIARIES, IRS REVENUE RULING 69-545 INDICATES THAT HOSPITALS OPERATE FOR THE PROMOTION OF HEALTH IN THE COMMUNITY WHEN IT PROVIDES CARE TO PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, THE ORGANIZATION PROVIDES CARE TO MEDICARE PATIENTS REGARDLESS OF MEDICARE SHORTFALLS (REDUCING THE BURDEN ON THE GOVERNMENT), AND MANY OF THE MEDICARE PARTICIPANTS WOULD HAVE QUALIFIED FOR THE CHARITY CARE OR OTHER MEANS TESTED PROGRAMS ABSENT BEING ENROLLED IN THE MEDICARE PROGRAM. THE MEDICARE SHORTFALL REPORTED IS DETERMINED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM, TSI.

PART III, LINE 9B:

IT IS THE HOSPITAL'S POLICY TO TREAT ALL PATIENTS EQUITABLY WITH RESPECT AND COMPASSION, FROM THE BEDSIDE TO THE BILLING OFFICE. THE HOSPITAL WILL PURSUE PATIENT ACCOUNTS, DIRECTLY AND THROUGH ITS COLLECTION AGENTS, FAIRLY AND CONSISTENTLY TAKING INTO CONSIDERATION DEMONSTRATED FINANCIAL NEED. AS PART OF ITS COLLECTION PROCESS, THE HOSPITAL WILL MAKE REASONABLE EFFORTS TO DETERMINE IF AN INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER ITS FINANCIAL ASSISTANCE POLICY. IN THE EVENT A PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL WILL NOT ENGAGE IN ANY EXTRAORDINARY COLLECTION ACTION AS DEFINED BY LAW AND HOSPITAL POLICY.

PART VI, LINE 2:

COMMUNITY NEEDS ARE ROUTINELY REVIEWED AND ADDRESSED AS PART OF THE OPERATIONS AND SERVICE LINE TEAMS AT YALE-NEW HAVEN HOSPITAL.

THESE MULTI-DISCIPLINARY GROUPS PROVIDE ANALYSIS AND INSIGHT INTO PATIENT UTILIZATION TRENDS ACROSS OUR DELIVERY OF CARE AND ARE REVIEWED IN TANDEM WITH CARE MANAGEMENT AND PATIENT SATISFACTION RESULTS AND OTHER COMMUNITY FEEDBACK. COUPLED WITH THE RECENTLY COMPLETED COMMUNITY NEEDS ASSESSMENT, THIS INFORMATION ASSISTS WITH THE DEVELOPMENT OF NEW INITIATIVES, PARTNERSHIPS, PROGRAMS AND SERVICES TO BENEFIT OUR COMMUNITY.

PART VI, LINE 3:

YALE-NEW HAVEN HOSPITAL INFORMS INDIVIDUALS ABOUT ITS FINANCIAL ASSISTANCE PROGRAMS ON ITS WEBSITE, THROUGH VISIBLE POSTINGS AND COMMUNICATIONS AT POINTS OF REGISTRATION AND FRONT LINE ACCESS. THE FINANCIAL ASSISTANCE POLICY, APPLICATION AND SUMMARY ARE AVAILABLE ON REQUEST WITHOUT CHARGE BY MAIL, INCLUDING AT ADMITTING DEPARTMENT. FURTHER, PATIENTS RECEIVE A SUMMARY OF FINANCIAL ASSISTANCE PROGRAMS, INCLUDING ELIGIBILITY REQUIREMENTS THROUGH A FIRST STATEMENT MAILER AS PART OF THE BILLING PROVES. THESE COMMUNICATIONS INCLUDE TELEPHONE NUMBERS AND POINT OF CONTACT FOR INDIVIDUALS TO VISIT OR CALL. THE HOSPITAL HAS RESOURCES TO ASSIST PATIENTS WITH STATE OF CONNECTICUT MEDICAID APPLICATIONS.

PART VI, LINE 4:

THE LOCAL SERVICE AREA SERVED BY YALE-NEW HAVEN HOSPITAL INCLUDES CONNECTICUT MUNICIPALITIES ACROSS MIDDLESEX AND NEW HAVEN COUNTIES. THESE INCLUDE: ANSONIA, BETHANY, BRANFORD, CENTERBROOK, CHESHIRE, CLINTON, DEEP RIVER, DERBY, EAST HAVEN, ESSEX, GUILFORD, HAMDEN, IVORYTON, KILLINGWORTH, MADISON, MERIDEN, MILFORD, NEW HAVEN, NORTH BRANFORD, NORTH HAVEN, NORTHFORD, OLD SAYBROOK, ORANGE, OXFORD, SEYMOUR, WALLINGFORD, WEST HAVEN, WESTBROOK AND WOODBRIDGE.

Part VI Supplemental Information *(Continuation)*

IN 2014, THE TOTAL POPULATION OF THE HOSPITAL'S PRIMARY GEOGRAPHIC SERVICE AREA WAS ESTIMATED AT 707,492. THE PERCENTAGE OF RESIDENTS BY RACE AND ETHNICITY IN 2014 WAS 74.7% WHITE, 12.3% BLACK / AFRICAN AMERICAN, 14.8% HISPANIC, 4.4% ASIAN PACIFIC AND 8.6% NATIVE AMERICAN, MULTI RACE OR OTHER. THE ESTIMATED MEDIAN HOUSEHOLD INCOME WAS $77,095 IN MIDDLESEX COUNTY AND $62,497 IN NEW HAVEN COUNTY.

IN ADDITION TO YALE-NEW HAVEN HOSPITAL THERE ARE THREE ACUTE CARE HOSPITALS LOCATED IN THE REGION INCLUDING GRIFFIN HOSPITAL, MIDSTATE MEDICAL CENTER AND MILFORD HOSPITAL. GAYLORD HOSPITAL, A LONG-TERM ACUTE REHABILITATION AND CHRONIC CARE HOSPITAL IS ALSO LOCATED WITHIN THE LOCAL GEOGRAPHIC AREA SERVED BY YALE-NEW HAVEN. YALE-NEW HAVEN HOSPITAL IS A DISPROPORTIONATE SHARE HOSPITAL, AND ALSO QUALIFIES FOR 340B PHARMACY PRICING.

IN FISCAL YEAR 2014, THERE WERE 78,529 INPATIENT DISCHARGES FROM YALE-NEW HAVEN HOSPITAL. AN ESTIMATED 30% WERE EITHER MEDICAID BENEFICIARIES OR PEOPLE WHO LACKED HEALTH INSURANCE. THE HOSPITAL'S EMERGENCY DEPARTMENT PROVIDES A HEALTHCARE SAFETY NET FOR THOUSANDS OF PEOPLE EACH YEAR BY SERVING AS THE PRIMARY CARE PROVIDER FOR UNINSURED AND UNDERINSURED PATIENTS. IN FISCAL YEAR 2014, THERE WERE 201,795 VISITS TO YALE-NEW HAVEN'S ADULT AND PEDIATRIC EMERGENCY DEPARTMENTS IN NEW HAVEN AND AT THE SHORELINE MEDICAL CENTER IN GUILFORD. TREATED AND DISCHARGED PATIENTS MADE UP 80% OF THE TOTAL WITH OVER HALF (ROUGHLY 88,400 INDIVIDUALS) IDENTIFIED AS MEDICAID BENEFICIARIES OR AS HAVING NO HEALTH CARE INSURANCE.

PATIENT ORIGIN DATA FOR FISCAL YEAR 2014 INDICATED THAT 46% OF THE PATIENTS TREATED AND DISCHARGED FROM THE HOSPITAL'S EMERGENCY DEPARTMENT AND 31% OF THE TREATED AND ADMITTED PATIENTS WERE RESIDENTS OF THE CITY OF NEW HAVEN. THE MEDIAN HOUSEHOLD INCOME FOR THE CITY OF NEW HAVEN IS $38,482, WHICH IS $31,037 BELOW THE STATE OF CONNECTICUT MEDIAN HOUSEHOLD

Part VI Supplemental Information *(Continuation)*

INCOME OF $69,519. AN ESTIMATED 26.9% OF FAMILIES IN NEW HAVEN WERE IDENTIFIED AS LIVING IN POVERTY COMPARED TO 10% STATE-WIDE.

PROMOTION OF COMMUNITY HEALTH. PROVIDE ANY OTHER INFORMATION IMPORTANT TO DESCRIBING HOW THE ORGANIZATION'S HOSPITAL FACILITIES OR OTHER HEALTH CARE FACILITIES FURTHER ITS EXEMPT PURPOSES BY PROMOTING THE HEALTH OF THE COMMUNITY (E.G. OPEN MEDICAL STAFF, COMMUNITY BOARD, USE OF SURPLUS FUNDS, ETC.).

PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH

YALE-NEW HAVEN HOSPITAL, FOUNDED IN 1826 AS THE FIRST HOSPITAL IN CONNECTICUT, IS A 1,541-BED ACUTE AND TERTIARY CARE HOSPITAL. WITH TWO INPATIENT CAMPUSES IN NEW HAVEN, YALE NEW HAVEN IS THE PRIMARY TEACHING HOSPITAL FOR YALE SCHOOL OF MEDICINE AND IS A MAJOR TERTIARY CARE CENTER FOR ACUTELY ILL OR INJURED PATIENTS, RECEIVING REGIONAL, NATIONAL AND INTERNATIONAL REFERRALS. YALE-NEW HAVEN HOSPITAL DISCHARGED ALMOST 79,400 INPATIENTS AND HANDLED ABOUT 1.2 MILLION OUTPATIENT ENCOUNTERS IN NEW HAVEN, NORTH HAVEN, EAST HAVEN AND GUILFORD AND DOZENS OF RADIOLOGY AND BLOOD-DRAWING SERVICES THROUGHOUT THE STATE. LAST YEAR, THE HOSPITAL RECEIVED NATIONAL RECOGNITION FOR ITS CLINICAL SERVICES RANKING AMONG THE COUNTRY'S TOP HOSPITALS IN 11 SPECIALTIES IN U.S. NEWS & WORLD REPORT'S ANNUAL "AMERICA'S BEST HOSPITALS; AND FOR SEVEN PEDIATRIC SUBSPECIALTIES IN THE U.S. NEWS BEST CHILDREN'S HOSPITALS RANKINGS.

EVERY YEAR, AS PART OF ITS VITAL MISSION TO PROMOTE HEALTH AND WELLNESS THROUGHOUT THE GREATER NEW HAVEN REGION, YALE-NEW HAVEN HOSPITAL SPONSORS, DEVELOPS, PARTICIPATES IN AND FINANCIALLY SUPPORTS A WIDE VARIETY OF COMMUNITY-BASED PROGRAMS AND SERVICES. DURING FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL MANAGED $463.3 MILLION IN FINANCIAL AND

Part VI Supplemental Information *(Continuation)*

IN-KIND CONTRIBUTIONS THROUGH FIVE WIDE-RANGING PROGRAMS - GUARANTEEING ACCESS TO CARE; PROMOTING HEALTH AND WELLNESS; ADVANCING CAREERS IN HEALTH CARE; RESEARCH; AND CREATING HEALTHIER COMMUNITIES. A SIXTH CATEGORY, BUILDING STRONGER NEIGHBORHOODS, WAS DISCUSSED PREVIOUSLY IN PART II.

GUARANTEEING ACCESS TO CARE-

YALE-NEW HAVEN RECOGNIZES THAT SOME PATIENTS MAY BE UNINSURED, NOT HAVE ADEQUATE INSURANCE OR OTHERWISE LACK THE RESOURCES TO PAY FOR HEALTH CARE. HONORING ITS MISSION AND COMMITMENT TO THE COMMUNITY, THE HOSPITAL PARTICIPATES IN GOVERNMENT-SPONSORED PROGRAMS SUCH AS MEDICARE, MEDICAID, HUSKY, CHAMPUS AND TRICARE. DURING 2014, YALE-NEW HAVEN HOSPITAL PROVIDED SERVICES FOR 321,289 MEDICAID BENEFICIARIES AT A TOTAL EXPENSE OF $221.7 MILLION (AT COST).

YALE-NEW HAVEN HOSPITAL ALSO OFFERS A SLIDING SCALE OF DISCOUNTED FEES AND FREE CARE FOR ELIGIBLE PATIENTS, AND EVEN FUNDS THE SALARIES OF THREE ON-SITE STATE DEPARTMENT OF SOCIAL SERVICES EMPLOYEES. DURING 2014, THE HOSPITAL DELIVERED SUCH FINANCIAL ASSISTANCE SERVICES TO OVER 32,030 PERSONS AT A TOTAL EXPENSE OF $132.2 MILLION (AT COST).

YALE-NEW HAVEN ALSO GUARANTEES ACCESS TO CARE BY PROVIDING CLINICAL PROGRAMS DESPITE A FINANCIAL LOSS SO SIGNIFICANT THAT NEGATIVE MARGINS REMAIN AFTER REMOVING THE EFFECTS OF FREE CARE, BAD DEBT AND UNDER-REIMBURSED MEDICAID. SUBSIDIZED HEALTH SERVICES INCLUDE THE HOSPITAL'S PRIMARY CARE CENTER LOCATED ON THE YORK STREET CAMPUS AND FAMILY HEALTH CENTER ON THE SAINT RAPHAEL CAMPUS, WHICH INCLUDE ADULT, ADOLESCENT, PEDIATRIC AND WOMEN'S SERVICES.

THE HOSPITAL'S PRIMARY CARE CENTER AND FAMILY HEALTH CENTER PROVIDE OUTPATIENT MEDICAL SERVICES TO THE COMMUNITY, PRIMARILY SERVING THE UNINSURED OR UNDER-INSURED POPULATION. THE YORK STREET CAMPUS PRIMARY

CARE CENTER IS THE LARGEST OUTPATIENT FACILITY IN SOUTHERN CONNECTICUT. IN FISCAL YEAR 2014, THE PRIMARY CARE CENTER HAD 21,385 VISITS TO THE ADULT MEDICINE CLINIC, 23,849 VISITS TO THE PEDIATRIC CLINIC AND 14,274 VISITS TO THE WOMEN'S CENTER, FOR A TOTAL OF 59,508 PATIENT VISITS. THE FAMILY HEALTH CENTER ON THE HOSPITAL'S ST. RAPHAEL CAMPUS HAD 11,764 VISITS TO THE ADULT PRIMARY CARE CLINIC, 7,556 TO THE PEDIATRIC PRIMARY CARE CENTER AND 3,127 TO THE OB-GYN PRIMARY CARE CENTER, FOR A TOTAL OF 22,447 PATIENT VISITS.

IN FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL AND THE CENTER FOR CHILDREN'S ADVOCACY COLLABORATED ON THE MEDICAL-LEGAL PARTNERSHIP PROJECT TO PROVIDE LEGAL ADVOCACY TO THE PEDIATRIC PRIMARY CARE CENTER. THE NEW HAVEN LAW FIRM WIGGIN AND DANA AND THE CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY ARE SUPPORTING THE PROGRAM WITH GRANTS. AS A RESULT, A LAWYER NOW WORKS IN THE PEDIATRIC PRIMARY CARE CENTER FIVE DAYS A WEEK AND IS AVAILABLE TO PATIENTS, MEDICAL PROVIDERS AND SOCIAL WORKERS THROUGHOUT THE HOSPITAL. THE PROJECT TAKES A PREVENTIVE, MULTIDISCIPLINARY APPROACH TO IMPROVING CHILDREN'S HEALTH BY ASSISTING FAMILIES OBTAIN BASIC NEEDS AND APPROPRIATE LEGAL SUPPORT.

YALE-NEW HAVEN PROVIDES ONGOING FINANCIAL AND IN-KIND SUPPORT FOR PROJECT ACCESS-NEW HAVEN (PA-NH), WHICH PROVIDES TIMELY HIGH QUALITY SPECIALTY CARE FOR UNINSURED INDIVIDUALS WHO RESIDE IN THE GREATER NEW HAVEN AREA WITH THE USE OF AN INTENSIVE PATIENT NAVIGATION MODEL. MORE THAN 300 COMMUNITY PHYSICIANS DONATE THEIR SERVICES TO PROJECT ACCESS PATIENTS AND A TEAM OF FOUR PATIENT NAVIGATORS ASSIST ENROLLED PATIENTS WITH ACCESSING AND MANAGING CARE. SINCE SEEING THEIR FIRST PATIENT IN AUGUST 2010, PROJECT ACCESS HAS ENROLLED AND NAVIGATED NEARLY 1,000 PATIENTS. THE NO-SHOW RATE FOR MEDICAL APPOINTMENTS IS 3% AND THE VALUE OF DONATED CARE IS OVER $16.5 MILLION. PATIENTS ARE REFERRED TO

PA-NH FROM THE EMERGENCY DEPARTMENTS AND PRIMARY CARE CENTERS ON BOTH THE YORK STREET AND ST. RAPHAEL CAMPUSES OF YALE-NEW HAVEN HOSPITAL, THE FAIR HAVEN COMMUNITY HEALTH CENTER, THE CORNELL SCOTT-HILL HEALTH CENTER AND COMMUNITY PRIVATE PRACTICES. PA-NH CELEBRATED ITS FOURTH ANNIVERSARY IN AUGUST 2014.

THE HOSPITAL'S ME & MY BABY PROGRAM PROVIDES INCREASED ACCESS TO CARE FOR AN UNDER-SERVED POPULATION THAT IS EITHER UNINSURED OR UNDERINSURED. OUTREACH EFFORTS FOSTER EARLY ENTRY INTO CARE, SCREENING AND DETECTION, AND ALLOW PRENATAL CARE TO BEGIN AS EARLY AS POSSIBLE IN THE FIRST TRIMESTER. THE PROGRAM FEATURES MONTHLY "SHOWERS" TO PROVIDE PARTICIPANTS WITH INFORMATION ON THE HOSPITAL'S MATERNITY PROGRAMS, BASIC CHILDBIRTH PREPARATION AND OTHER INFORMATION. ME & MY BABY IS THE ONLY PROGRAM IN THE NEW HAVEN AREA TO OFFER FREE PREGNANCY TESTING AND COUNSELING BY A REGISTERED NURSE. IN 2014, ME & MY BABY GAVE 305 NEWLY ENROLLED MOTHERS ACCESS TO PRENATAL AND PEDIATRIC CARE, HEALTH EDUCATION, CARE COORDINATION AND PRESCRIPTION DRUG COVERAGE. NEARLY 100% OF PROGRAM ENROLLEES ARE UNDOCUMENTED IMMIGRANT WOMEN OR WOMEN WHO ENTERED THE UNITED STATES WITHOUT INSPECTION OR WHO WERE ADMITTED ON NONIMMIGRANT TEMPORARY VISAS AND OVERSTAYED.

THE PRESCRIPTION ASSISTANCE PROGRAM HELPS YALE-NEW HAVEN HOSPITAL PATIENTS WHO HAVE LITTLE OR NO HEALTH INSURANCE OR PHARMACY BENEFITS OBTAIN DEEPLY DISCOUNTED MEDICATIONS. THE 340B PROGRAM ASSISTS PATIENTS WHO ARE DISCHARGED FROM THE HOSPITAL, INCLUDING THE EMERGENCY DEPARTMENT, OR ANY HOSPITAL-BASED CLINIC RECEIVE DISCOUNTED PRESCRIPTIONS. STUDIES SHOW THAT PATIENTS WHO CANNOT AFFORD OUTPATIENT MEDICATIONS HAVE HIGHER HOSPITAL ADMISSION, RE-ADMISSIONS, AND EMERGENCY ROOM VISIT RATES THAN THEIR COUNTERPARTS. THE HOSPITAL

Part VI Supplemental Information (Continuation)

QUALIFIES FOR THESE FEDERAL PHARMACEUTICAL PRICING DISCOUNTS BECAUSE IT TREATS A DISPROPORTIONATELY LARGE SHARE OF UNINSURED AND UNDER INSURED PATIENTS. THE HOSPITAL ALSO SERVES AS A KEY PARTNER IN THE NEW HAVEN ORAL HEALTH COALITION. THE COALITION WAS FORMED TO ADDRESS THE SERIOUS ORAL HEALTH NEEDS OF THE UNDER-SERVED, AND PARTICULARLY CHILDREN COVERED THROUGH HUSKY A. THIS NETWORK ALLOWS PARTNERS TO CONTINUOUSLY COLLABORATE AND DEVELOP STRATEGIC PLANS IN A MORE COHESIVE AND COMPREHENSIVE MANNER.

PROMOTING HEALTH AND WELLNESS-

DURING FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL PROVIDED $7.9 MILLION IN COMMUNITY HEALTH IMPROVEMENT SERVICES, INCLUDING HEALTH EDUCATION PROGRAMS, SUPPORT GROUPS AND HEALTH FAIRS. EXAMPLES OF THESE IMPORTANT SERVICES AND PROGRAMS ARE PROVIDED BELOW.

THE HOSPITAL IS ONE OF 17 SITES IN CONNECTICUT OFFERING A COMPREHENSIVE BREAST, CERVICAL AND COLORECTAL CANCER SCREENING PROGRAM FOR MEDICALLY UNDERSERVED WOMEN. SERVICES SUCH AS CLINICAL BREAST EXAMS AND PAP SMEARS ARE OFFERED FREE OF CHARGE FOR ELIGIBLE WOMEN BETWEEN THE AGES OF 19 AND 64, AND MAMMOGRAMS ARE OFFERED TO WOMEN WHO ARE AGE 40 TO 64. IN FY 2014, 800 WOMEN RECEIVED SCREENINGS THROUGH THE PROGRAM.

YALE-NEW HAVEN HOSPITAL IS A GRANT RECIPIENT OF THE KOMEN FOUNDATION PATIENT NAVIGATION FOR BREAST CANCER SCREENING. THIS COLLABORATIVE OUTREACH INITIATIVE IS FOCUSED ON OFFERING BREAST HEALTH EDUCATION AND SCREENING SERVICES TO AFRICAN AMERICAN, HISPANIC AND ANY UNDERSERVED WOMEN (AGE 50+) IN THE GREATER NEW HAVEN COMMUNITY AND HELPING THEM NAVIGATE THROUGH THE HEALTH CARE SYSTEM. THE GOAL IS TO INCREASE AWARENESS OF EARLY DETECTION TO THESE HIGH-RISK POPULATIONS, TEACH BREAST SELF-EXAMS, PROVIDE SCREENINGS, AND FACILITATE ACCESS TO APPROPRIATE DIAGNOSTIC FOLLOW UP WHEN NECESSARY. THE PROGRAM STAFF

Part VI Supplemental Information (Continuation)

CONDUCTED 10 GROUP LECTURES, REACHING OVER 500 WOMEN WITHIN THE COMMUNITY, BRINGING THEM INTO THE BREAST CANCER CONTINUUM OF CARE AND LINKING THEM TO MAMMOGRAPHY SCREENINGS. YNHH PROVIDED PUBLIC EDUCATION AND PROGRAM AND EVENT PROMOTION USING SOCIAL MEDIA SITES INCLUDING FACEBOOK AND TWITTER REACHING OVER 630 INDIVIDUALS.

IN A PARTNERSHIP WITH THE CORNELL SCOTT-HILL HEALTH CENTER, THE HOSPITAL'S DIGITAL MAMMOGRAPHY VAN PROVIDES SCREENING MAMMOGRAPHY SERVICES.

IN THE COMMUNITY WHERE WOMEN LIVE AND WORK, IMPROVING ACCESS FOR THE ELDERL AND UNDERSERVED POPULATIONS WHO MIGHT NOT OTHERWISE OBTAIN THESE SERVICES ON A REGULAR BASIS. IN FISCAL YEAR 2014, THE MAMMOGRAPHY VAN PERFORMED 1,124 SCREENING MAMMOGRAMS AT 44 LOCATIONS THROUGHOUT SOUTHERN CONNECTICUT, ENHANCING ACCESSIBILITY TO MAMMOGRAPHY SERVICES.

THE HOSPITAL'S SICKLE CELL PROGRAM PROVIDES COMPREHENSIVE MEDICAL CARE WHICH INCLUDES PAIN MANAGEMENT, PSYCHOSOCIAL COUNSELING, AND EDUCATION FOR THE PATIENT, FAMILY MEMBERS, AND THE COMMUNITY AT LARGE. THE PROGRAM ASSISTS PATIENTS WITH ACCESS TO COMMUNITY RESOURCES SUCH AS MEDICAL TRANSPORTATION, MEDICATION PROGRAMS WHICH HELP TO PURCHASE NEEDED MEDICINES AT REDUCED COSTS, AND REFERRALS TO COMMUNITY RESOURCES. THE SICKLE CELL TEAM WORKS DILIGENTLY WITH THE PEDIATRIC TEAM TO ENSURE SMOOTH TRANSITION OF SICKLE CELL PATIENTS FROM PEDIATRIC CARE TO ADULT CARE BY USING THE FAMILY CENTERED CARE MODEL APPROACH. IN PARTNERSHIP WITH SICKLE CELL DISEASE ASSOCIATION OF AMERICA, SOUTHERN CONNECTICUT, YALE-NEW HAVEN HOSPITAL OFFERS COMMUNITY OUTREACH, HEALTH EDUCATION AND SCREENINGS. LOCATIONS INCLUDE HIGH SCHOOLS, COLLEGES AND UNIVERSITIES, CHURCHES, COMMUNITY AND CIVIC ORGANIZATIONS AND HEALTH FAIRS THROUGHOUT SOUTHERN CONNECTICUT.

YALE-NEW HAVEN HOSPITAL OPERATES THE LARGEST WOMEN, INFANTS AND

Part VI Supplemental Information (Continuation)

CHILDREN (WIC) SITE IN NEW HAVEN, WITH 5,050 WOMEN AND THEIR CHILDREN PARTICIPATING ANNUALLY. THE WIC PROGRAM STAFF REACHES OUT INTO THE COMMUNITY TO PROVIDE NUTRITIONAL COUNSELING, BREASTFEEDING EDUCATION AND FOOD FOR PREGNANT AND POSTPARTUM WOMEN AND INFANTS AND CHILDREN WHO ARE AT NUTRITIONAL RISK. WIC IS FUNDED BY A GRANT FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE.

THE SUPPLEMENTAL INFANT PROGRAM AT YALE-NEW HAVEN HOSPITAL WAS ESTABLISHED IN 2008 TO ADDRESS CONCERNS REGARDING THE PRACTICE OF FORMULA STRETCHING (WATERING DOWN FORMULA TO SAVE MONEY DUE TO FINANCIAL HARDSHIP) AMONG CLIENTS OF THE WOMEN, INFANT AND CHILDREN (WIC) PROGRAM BASED AT THE HOSPITAL'S YORK STREET CAMPUS, WHICH SERVES 3,400 CLIENTS ANNUALLY INCLUDING 800 INFANTS. IN 2012, 26.9% OF FAMILIES LIVING IN NEW HAVEN WERE CONSIDERED BELOW THE POVERTY LEVEL, A RATE WHICH IS NEARLY 17% HIGHER THAN THE STATE AVERAGE. THE SUPPLEMENTAL INFANT PROGRAM PROVIDED FORMULA FOR 518 INFANTS DURING 2014 AT NO COST TO FAMILIES TO ENSURE THESE BABIES RECEIVED ADEQUATE NUTRITION.

THE HOSPITAL'S HEALTHY START PROGRAM IS FUNDED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THROUGH A PRIVATE GRANT FROM THE COMMUNITY FOUNDATION OF GREATER NEW HAVEN AND IS DESIGNED FOR UNINSURED PREGNANT WOMEN. THE PROGRAM PROVIDES CASE MANAGEMENT SERVICES TO PREGNANT WOMEN RECEIVING CARE AT YALE-NEW HAVEN HOSPITAL AND TO THOSE WHO HAVE A CHILD UP TO THE AGE OF TWO RECEIVING SERVICES FROM THE PEDIATRIC PRIMARY CARE CENTER. TWO CASE MANAGERS ASSESS NEEDS AND COORDINATE MEDICAL CARE, MEDICATIONS, MENTAL HEALTH COUNSELING, OUTREACH AND RELATED SERVICES. THE CASE MANAGERS WORK COLLABORATIVELY WITH NEW HAVEN'S OTHER HEALTHY START SITES AS WELL AS WITH MANY OTHER SERVICE AGENCIES. IN FISCAL YEAR 2014, THE PROGRAM SERVED 230 WOMEN.

Part VI Supplemental Information *(Continuation)*

PEDIATRIC DENTISTRY WAS IDENTIFIED AS A CRITICAL ISSUE IN THE GREATER NEW HAVEN PARTNERSHIP FOR A HEALTHY COMMUNITY'S COMMUNITY NEEDS ASSESSMENT CONDUCTED IN THE LATE 1990S. SINCE 2004, THE HOSPITAL HAS OPERATED A DEDICATED PEDIATRIC DENTISTRY CENTER, WHICH OFFERS A PEDIATRIC DENTISTRY RESIDENCY PROGRAM. THE PEDIATRIC DENTISTRY CENTER RELOCATED IN 2012 TO AN 8,700 SQUARE FOOT STATE-OF-THE-ART FACILITY WITH 10 TREATMENT ROOMS, ONE RECOVERY ROOM FOR POST-SEDATION PATIENTS AND A STERILIZATION CENTER. THE PEDIATRIC DENTISTRY CENTER MAINTAINS NEARLY 2,000 ACTIVE PATIENTS AND HAS THE SINGULAR CAPACITY IN THE COMMUNITY TO TREAT CHILDREN WITH EARLY CHILDHOOD CAVITIES IN THE OPERATING ROOM.

SINCE 1992, THE HOSPITAL HAS PROVIDED COMPREHENSIVE CARE TO LEAD-POISONED CHILDREN AND THEIR FAMILIES. THE YALE-NEW HAVEN LEAD POISONING REGIONAL TREATMENT CENTER IS ONE OF TWO REGIONAL TREATMENT CENTERS IN CONNECTICUT PROVIDING MEDICAL TREATMENT AND SOCIAL SERVICE PROGRAMS. IN FISCAL YEAR 2014, THE LEAD PROGRAM PROVIDED 3,641 PATIENT SCREENINGS, 380 IN-HOME VISITS AND 62 INFORMATIONAL PRESENTATIONS.

THE AIDS CARE PROGRAM WAS ESTABLISHED IN 1984 IN RESPONSE TO THE INCREASING NUMBER OF INDIVIDUALS BEING TREATED FOR HIV/AIDS AT YALE-NEW HAVEN HOSPITAL. THE PROGRAM PROVIDES COMPREHENSIVE CARE TO ADULTS, ADOLESCENTS AND CHILDREN LIVING WITH HIV/AIDS AND THEIR FAMILIES AND SIGNIFICANT OTHERS. THE SCOPE OF SERVICES INCLUDES OUTREACH, TESTING, COMPREHENSIVE RISK COUNSELING SERVICES, OUTPATIENT AND INPATIENT CLINICAL CARE, CLINICAL RESEARCH TRIALS AND COMMUNITY SUPPORT. THE AIDS CARE PROGRAM IS STAFFED BY A MULTIDISCIPLINARY TEAM OF HEALTH CARE PROVIDERS, NURSES, HIV COUNSELORS, SOCIAL WORKERS AND CLINICAL RESEARCHERS. IN FISCAL YEAR 2014 THE AIDS CARE PROGRAM'S PEDIATRIC SERVICE CARED FOR 30 CHILDREN AND ADOLESCENTS WITH A TOTAL OF 115

VISITS. APPROXIMATELY 3,600 TESTS WERE PROVIDED AS PART OF ROUTINE TESTING IN THE ADULT AND ADOLESCENT PRIMARY CARE CENTER AND WOMEN'S CENTER. BOTH INPATIENT AND OUTPATIENT SERVICES FOR PEOPLE WITH HIV AND AIDS ARE ALSO AVAILABLE THROUGH THE HOSPITAL'S HAELEN CENTER, LOCATED IN THE FAMILY HEALTH CENTER AT YALE-NEW HAVEN HOSPITAL'S SAINT RAPHAEL CAMPUS.

YALE-NEW HAVEN HOSPITAL OFFERS SUPPORT GROUPS FOR PATIENTS AND FAMILIES IN OVER 20 AREAS, INCLUDING MANY CANCER AND TRANSPLANT SPECIALTY AREAS. THE GROUPS ARE STAFFED BY SOCIAL WORKERS AND ARE PROVIDED FREE OF CHARGE TO HELP PATIENTS AND THEIR FAMILIES COPE WITH THEIR ILLNESSES AND RELATED ISSUES. IN FISCAL YEAR 2014, 3,735 PEOPLE ATTENDED AND PARTICIPATED IN SUPPORT GROUPS.

ADVANCING CAREERS IN HEALTH CARE-

AS THE PRIMARY TEACHING HOSPITAL FOR THE YALE SCHOOL OF MEDICINE, YALE-NEW HAVEN HOSPITAL HAS SUPERVISED PHYSICIAN RESIDENTS AND FELLOWS SUPPORTING ITS MEDICAL STAFF WITH AROUND-THE-CLOCK COVERAGE AND INSIGHTFUL, RESEARCH-SUPPORTED PATIENT CARE. IN ADDITION, THE HOSPITAL PROVIDES A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO STUDENTS ENROLLED IN PROGRAMS OUTSIDE THE ORGANIZATION IN THE AREAS OF NURSING, DIETARY, PHYSICAL AND OCCUPATIONAL THERAPISTS, SOCIAL WORK, RADIOLOGY TECHNICIANS AND RESPIRATORY CARE TECHNICIANS. IN 2014, THE COST TO YALE-NEW HAVEN HOSPITAL TO PROVIDE FUNDING FOR HEALTHCARE TRAINING AND EDUCATION PROGRAMS WAS MORE THAN $93.9 MILLION, AND BENEFITED OVER 2,592 INDIVIDUALS.

THE HOSPITAL PROVIDES A SIGNIFICANT AMOUNT OF HEALTH PROFESSIONS EDUCATION ON AN ANNUAL BASIS FOR 720 MEDICAL PROFESSIONALS. THIS INCLUDES GRADUATE AND INDIRECT MEDICAL EDUCATION IN THE AREA OF RESIDENCY AND FELLOWSHIP EDUCATION FOR PHYSICIANS / MEDICAL STUDENTS,

Part VI Supplemental Information *(Continuation)*

ALLIED HEALTH EDUCATION, PASTORAL CARE RESIDENCY PROGRAM AND A PHARMACY PROGRAM.

THE HOSPITAL'S DENTAL DEPARTMENT PROVIDES CLINICAL EDUCATIONAL OPPORTUNITIES FOR STUDENT DENTAL HYGIENISTS. DURING THEIR ROTATIONS, UNDER THE DIRECTION AND SUPERVISION OF THEIR INSTRUCTORS, THE STUDENTS PERFORM PROCEDURES APPROPRIATE AND APPLICABLE TO THEIR ROLES AS A DENTAL HYGIENIST. STUDENTS FROM THE UNIVERSITY OF NEW HAVEN DENTAL HYGIENE PROGRAM AND THE UNIVERSITY OF BRIDGEPORT, INCLUDING SENIOR BACCALAUREATE CANDIDATES WHO ARE LICENSED DENTAL HYGIENISTS, INTERN IN THE DENTAL DEPARTMENT BY PROVIDING DIRECT PATIENT CARE. FOUR OF THESE HYGIENISTS ARE ASSIGNED IN THE CLINIC EACH SEMESTER AND, THROUGH THEIR PATIENT CARE EXPERIENCE, INTERACT WITH RESIDENT AND ATTENDING PHYSICIANS, HOSPITAL STAFF AND THE COMMUNITY. IN FISCAL YEAR 2014, 66 SUCH HYGIENISTS ROTATED THROUGH THE DEPARTMENT.

DURING 2014, THE HOSPITAL PROVIDED A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO OVER 1,806 STUDENTS ENROLLED IN PROGRAMS FOR NURSING, DIETARY, PHYSICAL AND OCCUPATIONAL THERAPY, SOCIAL WORK, RADIOLOGY TECHNICIANS AND RESPIRATORY CARE TECHNICIANS. YALE-NEW HAVEN HAS LONG STANDING PARTNERSHIPS TO PROVIDE THIS TRAINING WITH AREA COLLEGES AND UNIVERSITIES INCLUDING GATEWAY COMMUNITY COLLEGE, FAIRFIELD UNIVERSITY, SACRED HEART UNIVERSITY, MANCHESTER COMMUNITY COLLEGE, UNIVERSITY OF CONNECTICUT, GOODWIN COLLEGE AND NAUGATUCK COMMUNITY COLLEGE.

YALE-NEW HAVEN'S TRAUMA SERVICES DEPARTMENT, THROUGH A CONTRACT WITH THE PENTAGON, PROVIDES U.S. NAVY CORPSMAN MEDICAL TRAINING FOR SERVICE MEMBERS AT THE GROTON / NEW LONDON SUBMARINE BASE. THE TRAINING INCLUDES BASIC MEDICAL PROCEDURES AND SKILLS FOR SURVIVAL WHILE THE SUBMARINE IS OUT TO SEA. IN 2014, TEN CORPSMAN RECEIVED THIS NECESSARY TRAINING.

RESEARCH-

TEACHING HOSPITALS LIKE YALE-NEW HAVEN HOSPITAL ARE WHERE THE BEST AND BRIGHTEST MINDS IN MEDICINE COLLABORATE TO PROVIDE THE HIGHEST QUALITY, CLINICALLY PROVEN AND MOST TECHNOLOGICALLY ADVANCED CARE POSSIBLE. EXPERIENCED, PIONEERING MEDICAL PRACTITIONERS GUIDE THE NEXT GENERATION OF RESEARCHERS AND HEALTHCARE PROVIDERS IN THE DISCOVERY OF NEW CURES AND TREATMENTS, AND OFFER PATIENTS THE LATEST, MOST EFFECTIVE DIAGNOSTIC AND TREATMENT OPTIONS BEFORE THEY ARE AVAILABLE ELSEWHERE. CLINICAL TRIALS AT YALE-NEW HAVEN HOSPITAL AND THE YALE SCHOOL OF MEDICINE INCLUDE PHASE ONE TRIALS, WHICH TEST A NEW DRUG'S SAFETY IN THE HUMAN BODY, PHASE TWO TRIALS, WHICH TESTS FOR EFFICACY AND DOSAGE IN SEVERAL HUNDRED PATIENTS, PHASE THREE TRIALS, WHICH MEASURE THE DRUG OR PROCEDURE AGAINST THE BEST STANDARD TREATMENT, AND OTHER TYPES OF TRIALS TESTING THE SAFETY OF VARIOUS TYPES OF MEDICAL EQUIPMENT. CLINICAL TRIALS ARE AVAILABLE IN MANY DIFFERENT CLINICAL AREAS INCLUDING ADDICTIVE BEHAVIOR, BRAIN, SPINAL CORD, AND NERVOUS SYSTEM, CANCER, CHILDREN'S HEALTH, DIABETES AND ENDOCRINE SYSTEM, DIGESTIVE SYSTEM, HEART AND CARDIOVASCULAR, HIV/AIDS AND INFECTIOUS DISEASE, OBESITY AND WEIGHT CONTROL, MENTAL HEALTH, AND WOMEN'S HEALTH. YALE-NEW HAVEN RECEIVES NATIONAL AND INTERNATIONAL REFERRALS AND, IN CONJUNCTION WITH YALE SCHOOL OF MEDICINE AND YALE CANCER CENTER, YALE-NEW HAVEN HOSPITAL IS NATIONALLY RECOGNIZED FOR ITS COMMITMENT TO TEACHING AND CLINICAL RESEARCH. THE NATIONAL INSTITUTES OF HEALTH HAS RECOGNIZED MANY OF THE MEDICAL CARE AND RESEARCH UNITS FOR EXCELLENCE, INCLUDING ITS CANCER PREVENTION RESEARCH UNIT, CANCER INFORMATION SERVICE CENTER, COMPREHENSIVE CANCER SERVICE, DIGESTIVE DISEASE RESEARCH CENTER, CHILD HEALTH RESEARCH CENTER, CHILDREN'S AND

Part VI Supplemental Information *(Continuation)*

ADULTS' CLINICAL RESEARCH CENTERS, AND CLAUDE D. PEPPER OLDER AMERICANS INDEPENDENCE CENTER.

STATE CANCER REGISTRIES ENABLE PUBLIC HEALTH PROFESSIONALS TO BETTER UNDERSTAND AND ADDRESS CANCER BURDEN. REGISTRY DATA ARE CRITICAL FOR TARGETING PROGRAMS FOCUSED ON RISK-RELATED BEHAVIORS OR ON ENVIRONMENTAL RISK FACTORS. SUCH INFORMATION IS ALSO ESSENTIAL FOR IDENTIFYING WHEN AND WHERE CANCER SCREENING EFFORTS SHOULD BE ENHANCED AND FOR MONITORING THE TREATMENT PROVIDED TO CANCER PATIENTS. IN ADDITION, RELIABLE REGISTRY DATA ARE FUNDAMENTAL TO A VARIETY OF RESEARCH EFFORTS, INCLUDING THOSE AIMED AT EVALUATING THE EFFECTIVENESS OF CANCER PREVENTION, CONTROL OR TREATMENT PROGRAMS. IN THE UNITED STATES, THESE DATA ARE REPORTED TO A CENTRAL STATEWIDE REGISTRY FROM VARIOUS MEDICAL FACILITIES INCLUDING HOSPITALS, PHYSICIANS' OFFICES, THERAPEUTIC RADIATION FACILITIES, FREESTANDING SURGICAL CENTERS AND PATHOLOGY LABORATORIES. YALE-NEW HAVEN HOSPITAL MAINTAINS A ROBUST CANCER REGISTRY, AND DURING FISCAL YEAR 2014, THE TOTAL COST ASSOCIATED WITH THE CANCER REGISTRY WAS $1.4 MILLION.

CREATING HEALTHIER COMMUNITIES-

THE CITY OF NEW HAVEN AND THE SURROUNDING COMMUNITY IS HOME TO A NUMBER OF NOT-FOR-PROFIT ORGANIZATIONS WORKING TO CREATE HEALTHIER COMMUNITIES. IN 2014, YALE-NEW HAVEN SUPPORTED THE WORK OF DOZENS OF LOCAL NOT-FOR-PROFIT ORGANIZATIONS UNAFFILIATED WITH THE HOSPITAL THROUGH FINANCIAL AND IN-KIND SERVICES TOTALING $2.1 MILLION. ORGANIZATIONS SUPPORTED THROUGH THE HOSPITAL IN 2013 INCLUDED THE BOYS & GIRLS CLUB OF NEW HAVEN, CHRISTIAN COMMUNITY ACTION, CLIFFORD W. BEERS GUIDANCE CLINIC, COLUMBUS HOUSE, CONNECTICUT SPORTS FOUNDATION: HELPING CANCER PATIENTS, CONNECTICUT STATE CONFERENCE OF NAACP

Part VI Supplemental Information *(Continuation)*

BRANCHES, FAMILY CENTERED SERVICES OF CT, EMERGENCY SHELTER MANAGEMENT SERVICES, FARNAM NEIGHBORHOOD HOUSE, FELLOWSHIP PLACE, GATEWAY COMMUNITY COLLEGE, LEAP, LEEWAY, LIFE HAVEN, LITERACY VOLUNTEERS OF GREATER NEW HAVEN, MONTESSORI SCHOOL OF EDGEWOOD, NEW LIFE CORPORATION AND RONALD MCDONALD HOUSE. YALE-NEW HAVEN HOSPITAL PROVIDES LEADERSHIP AND FACILITATION SUPPORT FOR THE PARTNERSHIP FOR A HEALTHIER GREATER NEW HAVEN. THE PARTNERSHIP FOR A HEALTHIER NEW HAVEN BEGAN MEETING IN DECEMBER 2010 TO DEVELOP A SHARED VISION AND COORDINATED EFFORT TO LEVERAGE EXISTING COMMUNITY HEALTH WORK ALREADY IN PROGRESS AND TO COMPLETE A COMMUNITY HEALTH NEEDS ASSESSMENT OF RESIDENTS IN THE CITY OF NEW HAVEN AND TWELVE MUNICIPALITIES COMPRISING THE INNER AND OUTER SUBURBAN RINGS SURROUNDING IT. MEMBERS OF THE PARTNERSHIP FOR A HEALTHIER GREATER NEW HAVEN INCLUDE REPRESENTATIVES FROM AREA HEALTH DEPARTMENTS AND HEALTH DISTRICTS, FEDERALLY-QUALIFIED HEALTH CENTERS, YALE SCHOOL OF PUBLIC HEALTH, ROBERT WOOD JOHNSON CLINICAL SCHOLAR'S PROGRAM AND OTHER NON-PROFIT ORGANIZATIONS SERVING GREATER NEW HAVEN. GET HEALTHY CT, WHICH WAS FORMED BY MEMBERS OF THE BRIDGEPORT-BASED PRIMARY CARE ACTION GROUP, EXPANDED TO NEW HAVEN IN 2013. GET HEALTHY CT IS A COALITION DEDICATED TO PREVENTING AND REDUCING OBESITY BY REMOVING THE BARRIERS TO HEALTHY EATING AND PHYSICAL ACTIVITY THROUGH THE INCLUSIVE COLLABORATION OF KEY STAKEHOLDERS IN THE COMMUNITY. THE APPROACH OF GET HEALTHY CT IS TO IDENTIFY EXISTING RESOURCES AND PROGRAMS AND UTILIZE ITS WEBSITE AS THE CENTRAL CONNECTING POINT FOR INFORMATION AND COLLABORATION. GET HEALTHY CT EFFORTS CENTER AROUND FOUR FOCUS AREAS: EDUCATE AND RAISE AWARENESS, ENCOURAGE COMMUNITY COLLABORATION AND COMMITMENT, IDENTIFY LOCAL RESOURCES AND INFORM PUBLIC POLICY. USING A MULTI-SECTOR APPROACH TO ADDRESS OBESITY, THE GET HEALTHY CT COALITION HAS GROWN TO OVER 100 MEMBER ORGANIZATIONS

Part VI Supplemental Information *(Continuation)*

INCLUDING HEALTH CARE PROVIDERS, HEALTH DEPARTMENTS AND HEALTH DISTRICTS, SOCIAL SERVICE PROVIDERS, COLLEGES AND UNIVERSITIES, BUSINESSES, TOWN AND LEGISLATIVE LEADERS, RESEARCHERS, AND FAITH-BASED ORGANIZATIONS. IN-KIND AND FINANCIAL SUPPORT FOR GET HEALTHY CT IS PROVIDED BY MEMBER ORGANIZATIONS INCLUDING YALE NEW HAVEN HEALTH SYSTEM AND YALE-NEW HAVEN HOSPITAL.

IN FISCAL YEAR 2014, YNHH SPONSORED TWO OF FIVE DAYS FOR THE POLICE ATHLETIC LEAGUE'S NEW HAVEN SUMMER CAMP PROGRAM AT WILBUR CROSS HIGH SCHOOL. APPROXIMATELY 20 EMPLOYEE VOLUNTEERS DEVELOPED AND STAFFED HEALTH AND WELLNESS ACTIVITIES THAT INCLUDED TENNIS, MARTIAL ARTS, AN OBSTACLE COURSE AND BASKETBALL FOR 225 KIDS, AGES 8-13. THE HOSPITAL ALSO DONATED T-SHIRTS, PRIZES AND HEALTHY SNACKS ON BOTH DAYS. IN ADDITION, YALE-NEW HAVEN HOSPITAL AND ITS EMPLOYEES SUPPORTED AND PARTICIPATED IN WALKS FOR VARIOUS HEALTH ADVOCACY ORGANIZATIONS. ORGANIZATIONS INCLUDE AIDS WALK NEW HAVEN, ALZHEIMER'S ASSOCIATION, AMERICAN CANCER SOCIETY, AMERICAN HEART ASSOCIATION, CROHN'S AND COLITIS FOUNDATION OF AMERICA, INTEGRATED REFUGEE AND IMMIGRANT SERVICES, MARCH OF DIMES, MUSCULAR DYSTROPHY ASSOCIATION, NATIONAL ALLIANCE ON MENTAL ILLNESS, AND THE SICKLE CELL DISEASE ASSOCIATION OF AMERICA, SOUTHERN CT, INC.

SUPPLEMENTAL INFORMATION-

YALE-NEW HAVEN HOSPITAL ALSO CONTRIBUTES TO THE COMMUNITY IN WAYS THAT ARE NOT QUANTIFIED AS PART OF THIS REPORT AND SERVES AS AN IMPORTANT COMMUNITY RESOURCE. THIS INCLUDES HAVING A VOLUNTARY BOARD OF TRUSTEES WITH THE MAJORITY OF THE MEMBERS RESIDING IN NEW HAVEN, GUILFORD, HAMDEN AND WOODBRIDGE. THE HOSPITAL ALSO EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY. THE HOSPITAL'S MEDICAL STAFF TOTALS 4,118 MEMBERS INCLUDING RESIDENTS, FELLOWS AND

HOSPITALISTS.

YALE-NEW HAVEN HOSPITAL, THE FLAGSHIP OF YALE NEW HAVEN HEALTH SYSTEM, INCREASED ITS FOCUS ON ENSURING PATIENT CARE SAFETY AND CLINICAL QUALITY, DESTINATION HOSPITAL CLINICAL PROGRAMS AND SERVICES, HUMAN RESOURCES PROGRAMS AND INITIATIVES AND FINANCIAL PERFORMANCE. KEY HIGHLIGHTS OF THE YEAR INCLUDED:

CELEBRATING ITS FIFTH ANNIVERSARY, SMILOW CANCER HOSPITAL ADDED TWO CANCER CARE CENTERS IN FAIRFIELD AND TRUMBULL. IN MARCH, THE HOSPITAL JOINED THE NATIONAL COMPREHENSIVE CANCER NETWORK, AN ALLIANCE OF LEADING CANCER CARE CENTERS DEDICATED TO IMPROVING THE QUALITY, EFFECTIVENESS AND EFFICIENCY OF CARE. ALSO, MORE THAN 1,220 CYCLISTS PARTICIPATED IN THE ANNUAL CLOSER TO FREE BIKE RIDE IN SEPTEMBER, RAISING OVER $1.5 MILLION FOR CANCER CARE AND RESEARCH.

DURING FISCAL YEAR 2014, MORE THAN $40 MILLION WAS REINVESTED IN THE SAINT RAPHAEL CAMPUS TO REFURBISH THE FACILITY, INCLUDING TWO OPERATING ROOMS, THE CARDIAC CATHETERIZATION LAB AND THE GRIMES CENTER FOR ADULT REHABILITATION. RENOVATIONS ALSO SUPPORTED THE CREATION OF THE MUSCULOSKELETAL CENTER UNIT AND THE CENTER FOR RESTORATIVE CARE DEDICATED TO GERIATRIC CARE.

YALE-NEW HAVEN HOSPITAL CONTINUED TO ATTRACT TERTIARY AND QUATERNARY REFERRALS FROM ACROSS THE REGION. Y ACCESS, YALE-NEW HAVEN'S SINGLE-SOURCE, 24/7 CALL CENTER EXCLUSIVELY FOR PHYSICIANS, COORDINATES TRANSFERS FROM OTHER HEALTHCARE FACILITIES AND EMERGENT DIRECT ADMISSIONS TO THE HOSPITAL. THE Y ACCESS REFERRAL LINE INCREASED ITS VOLUME BY 4.5 PERCENT IN 2014, WITH 5,333 INTER-HOSPITAL TRANSFERS. IN PARTNERSHIP WITH THE NORTH SHORE LONG ISLAND JEWISH (LIJ) HEALTH SYSTEM, YALE NEW HAVEN HEALTH IMPLEMENTED A HELICOPTER EMERGENCY MEDICAL SERVICES PROGRAM TO FACILITATE THE TRANSFER OF CRITICALLY ILL

Part VI Supplemental Information *(Continuation)*

PATIENTS TO THE HOSPITAL. EACH YEAR, THOUSANDS OF MEMBERS OF THE COMMUNITY SUPPORT YALE-NEW HAVEN HOSPITAL THROUGH PHILANTHROPY AND VOLUNTEERING. IN FY 2014, 2,598 VOLUNTEERS DEDICATED A TOTAL OF 213,037 SERVICE HOURS TO THE HOSPITAL. VOLUNTEERS WERE PLACED IN OVER 50 AREAS THROUGHOUT THE HOSPITAL INCLUDING ADMITTING, ADULT EMERGENCY DEPARTMENT, CHILD PSYCHIATRY, CHILDREN'S HOSPITAL, COMMUNITY HEALTH, DENTAL CLINIC, HEART CENTER, LABORATORY MEDICINE, OCCUPATIONAL HEALTH, PSYCHIATRIC HOSPITAL, REHABILITATION SERVICES,RELIGIOUS MINISTRIES, SHORELINE MEDICAL CENTER, SMILOW CANCER HOSPITAL, SOCIAL WORK AND WOMEN'S SERVICES.

PART VI, LINE 6

THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE THE HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL PATIENTS HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES. THE YALE NEW HAVEN HEALTH SYSTEM REQUIRES ITS HOSPITALS TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THE HOSPITAL'S EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE. IN ADDITION, REGULAR REPORTING ON COMMUNITY BENEFITS IS REQUIRED ON A QUARTERLY BASIS.

PART VI, LINE 7, LIST STATES RECEIVING COMMUNITY BENEFIT REPORT:

CONNECTICUT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization YALE-NEW HAVEN HOSPITAL

Employer identification number 06-0646652

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CITY OF NEW HAVEN 165 CHURCH STREET NEW HAVEN, CT 06511		GOVERNMENT	2,669,031.	0.			COMMUNTY BENEFIT DEV
COMMUNITY FOUNDATION OF GREATER NEW HAVEN - 28 LINCOLN WAY - NEW HAVEN, CT 06510	06 6032106	501 (C)(3)	500,000.	0.			SUPPORT MISSION
CENTER FOR CHILDREN ADVOCACY 65 ELIZABETH STREET HARTFORD, CT 06105	06 1489575	501 (C)(3)	180,000.	0.			SUPPORT MISSION
HABITAT FOR HUMANITY 37 UNION STREET NEW HAVEN, CT 06511	06 1178712	501 (C)(3)	75,000.	0.			SUPPORT MISSION
FAIR HAVEN COMMUNITY HEALTH 374 GRAND AVE NEW HAVEN, CT 06513	06 0883545	501 (C)(3)	42,000.	0.			SUPPORT MISSION
CONNECTICUT CENTER FOR ARTS (CONNCAT) - 70 AUDUBON STREET NEW HAVEN, CT 06521	45 1257955	501 (C)(3)	150,000.	0.			SUPPORT MISSION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 6.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule I (Form 990) (2013)**

DOHP1957

332101
10-29-13

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YALE UNIVERSITY P.O. BOX 6028 NEW HAVEN, CT 06510	06-0646973	501 (C)(3)	30,000.	0.			SUPPORT MISSION

DOHP1958

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
NURSING SCHOLARSHIPS	19	38,000.	0.	FMV	

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS. THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION. YALE-NEW HAVEN HOSPITAL ("Y-NHH") CARRIES OUT DUE DILIGENCE IN PROVIDING MONETARY ASSISTANCE ONLY TO QUALIFYING 501(C)3 ORGANIZATIONS THAT COMPLEMENT ITS MISSION OR SUPPORT THE GREATER GOOD IN THE COMMUNITIES SERVES.

Y-NHH VERIFIES EACH ORGANIZATION'S EIN AS LISTED ON IRS FORM W-9 THAT HAS

Part IV Supplemental Information

BEEN SUBMITTED TO Y-NHH. ASSISTANCE DONATED BY Y-NHH TO THESE QUALIFYING ORGANIZATIONS IS NOT OUTCOMES-BASED AND IS GIVEN IN SUPPORT OF AN INDIVIDUAL ORGANIZATION'S FUNDRAISING EVENTS OR IN SUPPORT OF DIRECT SERVICES. Y-NHH MAINTAINS FULL AND COMPLETE RECORDS OF ALL MONETARY ASSISTANCE PROVIDED, HOWEVER DOES NOT MONITOR SPECIFIC FUNDS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2013

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARNA BORGSTROM	(i)	987,634.	565,993.	32,580.	398,937.	53,300.	2,038,444.	0.
CEO	(ii)	658,423.	377,328.	21,720.	265,958.	35,533.	1,358,962.	0.
(2) RICHARD D'AQUILA	(i)	799,184.	298,253.	116,480.	288,700.	17,312.	1,519,929.	13,543.
PRESIDENT	(ii)	266,395.	99,418.	38,827.	96,233.	5,771.	506,644.	4,514.
(3) PETER HERBERT	(i)	460,024.	143,434.	291,560.	12,090.	32,138.	939,246.	0.
SR. VP	(ii)	306,683.	95,623.	194,374.	8,060.	21,426.	626,166.	0.
(4) WILLIAM ASELTYNE	(i)	290,590.	80,455.	49,416.	111,222.	14,517.	546,200.	0.
SR. VP	(ii)	247,540.	68,535.	42,095.	94,745.	12,366.	465,281.	0.
(5) DANIEL BARCHI	(i)	370,783.	125,615.	45,436.	151,691.	35,578.	729,103.	0.
SR. VP	(ii)	158,907.	53,834.	19,473.	65,011.	15,248.	312,473.	0.
(6) THOMAS BALCEZAK	(i)	429,678.	102,770.	70,556.	173,874.	23,491.	800,369.	24,227.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) PATRICIA SUE FITZSIMONS	(i)	379,280.	133,473.	280,834.	22,544.	16,118.	832,249.	9,608.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) MICHEAL HOLMES	(i)	301,183.	127,845.	25,114.	155,852.	36,097.	646,091.	0.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) THOMAS LEARY	(i)	303,002.	78,956.	39,837.	140,827.	22,444.	585,066.	0.
VP	(ii)	15,947.	4,156.	2,097.	7,412.	1,181.	30,793.	0.
(10) ABE LOPMAN	(i)	423,990.	112,319.	85,614.	175,815.	17,520.	815,258.	6,957.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) STEPHEN MERZ	(i)	246,579.	62,212.	48,411.	105,901.	32,422.	495,525.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) KEVIN MYATT	(i)	293,576.	109,174.	56,254.	131,378.	16,691.	607,073.	0.
SR. VP	(ii)	195,717.	72,783.	37,503.	87,586.	11,128.	404,717.	0.
(13) PAUL PATTON	(i)	366,385.	88,418.	63,054.	140,119.	21,084.	679,060.	19,533.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) VINCENT PETRINI	(i)	373,039.	128,289.	68,258.	156,080.	33,581.	759,247.	0.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) CYNTHIA SPARER	(i)	447,962.	115,411.	77,076.	96,229.	35,211.	771,889.	0.
SR. VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) JAMES STATEN	(i)	565,962.	172,704.	54,828.	205,423.	12,777.	1,011,694.	25,010.
SR. VP	(ii)	377,308.	115,136.	36,552.	136,948.	8,518.	674,462.	16,673.

DOHP1692

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) KEVIN WALSH	(i)	315,890.	93,347.	64,983.	131,856.	29,678.	635,754.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) SUHER BAKER	(i)	365,886.	59,832.	23,886.	17,302.	17,756.	484,662.	12,239.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) MARJORIE GUGLIN	(i)	286,185.	75,121.	57,451.	51,635.	24,859.	495,251.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) VICTOR MORRIS	(i)	329,514.	83,246.	62,577.	73,650.	22,684.	571,671.	10,885.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(21) THOMAS SWEENEY	(i)	509,315.	0.	42,239.	7,875.	44,554.	603,983.	0.
DIRECTOR	(ii)	0.	0.	0.	0.	0.	0.	0.
(22) DIANE VORIO	(i)	275,566.	70,155.	62,960.	64,380.	17,085.	490,146.	30,090.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

DOHP1963

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B:

THE INDIVIDUALS LISTED BELOW ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION)AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS THAT HAVE NOT YET BEEN VESTED CONSISTENT WITH THE COMPENSATION REPORTING PER IRS.

	SEVERANCE	NONQUALIFIED	EQUITY-BASED
MARNA P. BORGSTROM	$0	$370,245	$0
RICHARD D'AQUILA	-	218,016	-
JAMES M. STATEN	-	185,221	-
DANIEL BARCHI	-	115,052	-
KEVIN A. MYATT	-	113,328	-
WILLIAM J. ASELTYNE	-	108,317	-
ABE LOPMAN	-	93,464	-
THOMAS J. BALCEZAK	-	88,237	-
VINCENT PETRINI	-	78,018	-

DOHP1964

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PAUL N. PATTON	-	72,469	-
KEVIN F. WALSH	-	70,206	-
THOMAS D. LEARY	-	68,589	-
STEPHEN M. MERZ	-	56,251	-

INDIVIDUALS LISTED BELOW BECAME VESTED IN BENEFITS VALUED AT THE AMOUNTS RESPECTIVELY REPORTED BELOW DURING THE REPORTING YEAR. INCLUDED IN SECTION II, COLUMN B (III) ARE AMOUNTS VESTED DURING THE 2013 CALENDAR YEAR THAT WERE RECOGNIZED AS TAXABLE EVENTS AND REPORTED IN THE INDIVIDUALS' 2013 CALENDAR YEAR FORM W-2S.

PETER HERBERT	$ 390,067
PATRICIA FITZSIMONS	$ 213,518

THE FORMER OFFICER LISTED BELOW RECEIVED PAYMENTS THROUGHOUT THE YEAR FROM THE NONQUALIFIED PLAN. THESE AMOUNTS ARE NOT INCLUDED IN COLUMN B OR C. THE TOTAL OF THESE PAYMENTS LISTED BELOW WAS MADE DIRECTLY TO HIM FROM THE RABBI TRUST.

PATRICK LUDDY	$ 42,792

DOHP1995

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 7:

THE SHORT TERM INCENTIVE PLAN (STIP) IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF MANAGEMENT IN RECOGNITION OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES. PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES. INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY. PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES.

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CHEFA-SERIES N	06-0806186	20774YNC7	02/01/13	44,815,000.	ACQUISITION OF ASSETS-HSR		X		X		X
B	CHEFA-SERIES O	06-0806186	20774YNE3	02/01/13	50,000,000.	ACQUISITION OF ASSETS-HSR		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	49,999,105.	50,000,000.		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	654,825.	654,825.		
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	49,344,280.	49,345,175.		
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2013	2013		
		Yes / No	Yes / No	Yes / No	Yes / No
14	Were the bonds issued as part of a current refunding issue?	No: X	No: X		
15	Were the bonds issued as part of an advance refunding issue?	No: X	No: X		
16	Has the final allocation of proceeds been made?	Yes: X	Yes: X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	Yes: X	Yes: X		

Part III Private Business Use

		A	B	C	D
		Yes / No	Yes / No	Yes / No	Yes / No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	No: X	No: X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?	Yes: X	Yes: X		

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X					
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	.06 %		.06 %		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	.06 %		.06 %		%		%	
7 Does the bond issue meet the private security or payment test?		X		X				
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X				

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X				
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X		X					
b Exception to rebate?	X		X					
c No rebate due?		X		X				
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X	X					
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X	X					
b Name of provider			BARCLAYS BANK					
c Term of hedge			40.0000000					
d Was the hedge superintegrated?				X				
e Was the hedge terminated?				X				

DOHP1968

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X				
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X					

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?								

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

PART II LINE 3
THE DIFFERENCE BETWEEN THE ISSUE PRICE REPORTED ON PART I, COLUMN (E)
AND TOTAL PROCEEDS REPORTED ON PART II, LINE 3 IS DUE TO EITHER
INVESTMENT EARNINGS OR PREMIUM RECEIVED FROM PURCHASER.

ON JUNE 24, 2014, THE SOLE MEMBER OF YALE-NEW HAVEN HOSPITAL,
YALE NEW HAVEN HEALTH SERVICES CORPORATION ("CORPORATION") ISSUED
APPROXIMATELY $543M OF CHEFA REVENUE BONDS SERIES A, B, C, D & E.
CONCURRENT WITH THE ISSUANCE OF THE CONNECTICUT HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY (CHEFA) REVENUE BONDS, YALE-NEW HAVEN HEALTH
OBLIGATED GROUP ISSUE, SERIES A, B, C, D AND E DATED MAY 20, 2014; SIX
MEMBERS OF THE SYSTEM WERE COMBINED TO FORM AN OBLIGATED GROUP. THE
OBLIGATED GROUP COMPRISES OF THE CORPORATION, YALE-NEW HAVEN HOSPITAL,
YALE NEW HAVEN CARE CONTINUUM CORPORATION, BRIDGEPORT HOSPITAL,
BRIDGEPORT HOSPITAL FOUNDATION, INC., AND NORTHEAST MEDICAL GROUP, INC.
THE MEMBERS OF THE OBLIGATED GROUP HAVE ADOPTED CERTAIN GOVERNANCE
PROVISIONS IN THEIR CERTIFICATES OF INCORPORATION AND BY-LAWS PURSUANT
TO WHICH YALE NEW HAVEN HEALTH SERVICES, CORPORATION RETAINS THE
AUTHORITY TO DIRECTLY TAKE CERTAIN ACTIONS ON BEHALF OF EACH OBLIGATED
GROUP MEMBER WITHOUT THE APPROVAL OF THE BOARD OF TRUSTEES OF THE
APPLICABLE OBLIGATED GROUP MEMBER, INCLUDING THE INCURRENCE OF
INDEBTEDNESS ON BEHALF OF EACH OBLIGATED GROUP MEMBER, THE MANAGEMENT
AND CONTROL OF THE LIQUID ASSETS OF EACH, AND THE APPOINTMENT OF THE
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF EACH OBLIGATED GROUP MEMBER.

DOHP1969

SEE PART VI SUPPLEMENTAL INFORMATION SHEET

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

GHCS AND ITS SUBSIDIARIES ARE PART OF THE SYSTEM, BUT THEY ARE NOT MEMBERS OF THE OBLIGATED GROUP.

PART III LINE 3B
THE ORGANIZATION HAS IN-HOUSE LEGAL STAFF WHO PROVIDE ROUTINE REVIEW OF MANAGEMENT OR SERVICE CONTRACTS OR RESEARCH AGREEMENTS RELATING TO THE FINANCED PROPERTY TO ENSURE THAT SUCH AGREEMENTS ARE COMPLIANT WITH APPLICABLE SAFE HARBORS. IN-HOUSE COUNSEL CONSULT WITH THE HOSPITAL'S OUTSIDE BOND COUNSEL AS NEEDED, INCLUDING ON NON-ROUTINE ISSUES.

PART III, LINE 9
THE ORGANIZATION HAS POLICIES AND PROCEDURES IN PLACE TO ENSURE COMPLIANCE WITH FEDERAL TAX LAW, AND TO TIMELY IDENTIFY NONCOMPLIANCE. IN THE EVENT OF NON-COMPLIANCE THE ORGANIZATION WOULD INVOLVE ITS LEGAL COUNSEL TO ADVISE REGARDING APPROPRIATE REMEDIATION.

DOHP1970

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization
YALE-NEW HAVEN HOSPITAL

Employer identification number
06-0646652

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
Total ▶ $												

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
ABBOTT LABORATORIES	SEE SCHEDULE O	292,795.	SEE PART V		X
UNITED ILLUMINATING CO.	SEE SCHEDULE O	6,217,981.	SEE PART V		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

PART IV, COLUMN D

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

NAME OF INTERESTED PERSON: ABBOTT LABORATORIES

TRUSTEE ROBERT J. ALPERN, MD IS A DIRECTOR OF ABBOTT LABORATORIES, WHICH PROVIDES SERVICES TO THE HOSPITAL FROM TIME TO TIME.

AMOUNT OF TRANSACTION: $292,795

NAME OF INTERESTED PERSON: UNITED ILLUMINATING CO.

TRUSTEES JOHN L. LAHEY AND JAMES TORGERSON ARE DIRECTORS OF UIL HOLDINGS CORPORATION, THE PARENT COMPANY OF UNITED ILLUMINATING CO. YALE-NEW HAVEN HOSPITAL, INC. PURCHASED ELECTRICITY AND GAS SERVICES FROM UNITED ILLUMINATING CO., THE ONLY SUPPLIER OF ELECTRICITY AND GAS AVAILABLE TO YALE-NEW HAVEN HOSPITAL, INC.. RATES CHARGED BY UNITED ILLUMINATING CO. ARE REVIEWED AND APPROVED BY THE CONNECTICUT DEPARTMENT OF PUBLIC UTILITY CONTROL.

AMOUNT OF TRANSACTION: $6,217,981

SOME OF THE HOSPITAL'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF RELATED ORGANIZATIONS OR AFFILIATES WITHIN THE HOSPITAL'S CORPORATE SYSTEM. THE HOSPITAL ENGAGES IN BUSINESS TRANSACTIONS WITH

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SOME OF THESE RELATED ORGANIZATIONS AND AFFILIATES. THESE TRANSACTIONS HAVE BEEN REPORTED AND DISCLOSED ON SCHEDULE R. THEY ARE NOT BEING REPORTED AGAIN HERE BECAUSE THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THE RELATED ORGANIZATIONS OR AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES AT THE HOSPITAL.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

- Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- Attach to Form 990.
- Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		32,562.	COMPARABLE MARKET
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	8	213,913.	STOCK EXCHANGE QUOTE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory	X	42	44,557.	CAMPARABLE MARKET
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (TRAVEL PKGS)	X	15	34,220.	COMPARABLE MARKET
26	Other ▶ (EVENTS TICKET)	X	44	27,130.	COMPARABLE MARKET
27	Other ▶ (GIFTCARDS/BAG)	X	140	18,031.	COMPARABLE MARKET
28	Other ▶ (PHOTO SESSION)	X	3	8,425.	COMPARABLE MARKET

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29 0

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

PART I, OTHER TYPES OF PROPERTY:

ELECTRONICS

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTIONS = 1

(C) REVENUE REPORTED ON FORM 990, PART VIII $ 4000.

(D) METHOD OF DETERMINING REVENUE: COMPARABLE MARKET

COSTUME JEWELRY

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTIONS = 17

(C) REVENUE REPORTED ON FORM 990, PART VIII $ 2735.

(D) METHOD OF DETERMINING REVENUE: COMPARABLE MARKET

PPD PROFESSIONAL. SRVC

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTIONS = 2

(C) REVENUE REPORTED ON FORM 990, PART VIII $ 1500.

(D) METHOD OF DETERMINING REVENUE: COMPARABLE MARKET

SCHEDULE M, PART I, COLUMN (B):

AMOUNTS REPRESENT NUMBER OF CONTRIBUTIONS RECEIVED.

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

FORM 990, PART III, LINE 4A, DESCRIPTION OF PROGRAM SERVICE:

YALE-NEW HAVEN HOSPITAL, FOUNDED IN 1826 AS THE FIRST HOSPITAL IN CONNECTICUT, IS A 1,541-BED ACUTE AND TERTIARY CARE HOSPITAL. WITH TWO INPATIENT CAMPUSES IN NEW HAVEN, YALE-NEW HAVEN HOSPITAL IS THE PRIMARY TEACHING HOSPITAL FOR YALE SCHOOL OF MEDICINE AND IS A MAJOR TERTIARY CARE CENTER FOR ACUTELY ILL OR INJURED PATIENTS, RECEIVING REGIONAL, NATIONAL AND INTERNATIONAL REFERRALS. YALE-NEW HAVEN HOSPITAL DISCHARGED ALMOST 79,400 INPATIENTS AND HANDLED ABOUT 1.2 MILLION OUTPATIENT ENCOUNTERS IN NEW HAVEN, NORTH HAVEN, EAST HAVEN AND GUILFORD AND DOZENS OF RADIOLOGY AND BLOOD-DRAWING SERVICES THROUGHOUT THE STATE. LAST YEAR, THE HOSPITAL RECEIVED NATIONAL RECOGNITION FOR ITS CLINICAL SERVICES RANKING AMONG THE COUNTRY'S TOP HOSPITALS IN 11 SPECIALTIES IN U.S. NEWS & WORLD REPORT'S ANNUAL "AMERICA'S BEST HOSPITALS; AND FOR SEVEN PEDIATRIC SUBSPECIALTIES IN THE U.S. NEWS BEST CHILDREN'S HOSPITALS RANKINGS.

DURING FISCAL YEAR 2014, YALE-NEW HAVEN HOSPITAL PROVIDED APPROXIMATELY 463.3 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES 353.8 MILLION DOLLARS IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $93.9 MILLION IN HEALTH PROFESSIONS EDUCATION, AND $15.6 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $3.5 MILLION DOLLARS WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY, COALITION BUILDING AND PHYSICAL IMPROVEMENTS AND HOUSING. YALE-NEW HAVEN HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE

Name of the organization YALE-NEW HAVEN HOSPITAL | Employer identification number 06-0646652

DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

FORM 990, PART VI:

PART I, LINE 4 & PART VI, LINE 1B

NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY

THE HOSPITAL SOUGHT TO CONFIRM THE INDEPENDENCE OF EACH VOTING MEMBER OF ITS GOVERNING BODY BY REQUESTING THAT EACH SUCH VOTING MEMBER RESPOND TO A QUESTIONNAIRE CONTAINING THE PERTINENT INSTRUCTIONS AND DEFINITIONS AND DESIGNED TO ELICIT THE INFORMATION NECESSARY TO DETERMINE INDEPENDENCE. BASED ON RESPONSES TO THE QUESTIONNAIRES RECEIVED BY THE HOSPITAL AND ANNUAL CONFLICTS OF INTEREST DISCLOSURES, THE HOSPITAL WAS ABLE TO CONFIRM THAT 21 VOTING MEMBERS ARE INDEPENDENT.

FORM 990, PART VI, SECTION A, LINE 2:

BUSINESS RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES, OR KEY EMPLOYEES:

SOME OF THE ORGANIZATION'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THOSE TAXABLE AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES WITH THE ORGANIZATION. THE TAXABLE AFFILIATES FOR WHICH SOME OF THE ORGANIZATION'S OFFICERS SERVE ALSO AS OFFICERS AND/OR DIRECTORS INCLUDE: MEDICAL CENTER REALTY, INC.; MEDICAL CENTER PHARMACY AND HOME CARE CENTER, INC.; YALE-NEW HAVEN AMBULATORY SERVICES CORPORATION; AND YORK ENTERPRISES, INC.

FORM 990, PART VI, SECTION A, LINE 4:

Name of the organization YALE-NEW HAVEN HOSPITAL | Employer identification number 06-0646652

PRIOR TO 5/20/2014, THE SOLE SHAREHOLDER OF THE ORGANIZATION WAS YNH NETWORK CORP, WHICH MERGED ALL ITS ACTIVITIES WITH THE ORGANIZATION ON 5/20/14. THE GOVERNING DOCUMENT WERE AMENDED TO REFLECT THE PARENT CORPORATION, YALE NEW HAVEN HEALTH SERVICES CORPORATION AS THE NEW SOLE SHAREHOLDER.

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE MEMBER OF YALE NEW HAVEN HOSPITAL IS YALE NEW HAVEN HEALTH SERVICES CORP, WHICH IS THE PARENT OF THE HOSPITAL.

FORM 990, PART VI, SECTION A, LINE 7A:

THE YALE NEW HAVEN HEALTH SERVICES CORPORATION SHALL HAVE THE RIGHT TO ELECT THE ORGANIZATION'S BOARD OF TRUSTEES IN ACCORDANCE WITH THE BYLAWS.

FORM 990, PART VI, SECTION A, LINE 7B:

THE YALE NEW HAVEN HEALTH SERVICES CORPORATION, AS THE ORGANIZATIONS' SOLE MEMBER, HAS THE FOLLOWING RIGHTS, POWERS AND PRIVILEGES:

A.) TO ACCEPT OR REJECT, AFTER APPROVAL OF THE BOARD OF TRUSTEES, THE ANNUAL OPERATING AND CAPITAL BUDGETS OF THE ORGANIZATION.

B.) TO APPROVE, UPON RECOMMENDATION BY THE BOARD OF TRUSTEES, ANY PROGRAMS OR EXPENDITURES REQUIRING CERTIFICATE OF NEED APPROVAL BY GOVERNMENTAL BODIES AND PLANS WHICH MATERIALLY AFFECT THE GROWTH AND THE DEVELOPMENT OF THE ORGANIZATION.

C.) TO APPROVE, UPON RECOMMENDATION BY THE BOARD OF TRUSTEES, SIGNIFICANT AFFILIATION AGREEMENTS BETWEEN THE HOSPITAL AND OTHER INSTITUTIONS,

SIGNIFICANT FUND RAISING PROGRAMS PROPOSED TO BE CONDUCTED BY THE ORGANIZATION, THE SALE OR DISPOSITION OF ANY ASSETS OF THE ORGANIZATION NOT IN THE USUAL COURSE OF BUSINESS, AND THE INCURRING OF INDEBTEDNESS FOR BORROWED MONEY EXCEPT IN ACCORDANCE WITH AN APPROVED OPERATING OR CAPITAL BUDGET.

FORM 990, PART VI, SECTION B, LINE 11:

THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT. THE RETURN IS INITIALLY REVIEWED BY THE DIRECTOR AND VP OF CORPORATE FINANCE. SUBSEQUENTLY IT IS SENT TO ERNST & YOUNG US, LLP FOR THEIR INITIAL REVIEW. AFTER ALL COMMENTS FROM THE ABOVE GROUP ARE CLEARED, THE RETURN IS THEN REVIEWED BY THE CHIEF FINANCIAL OFFICER OF THE ENTITY AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US, LLP FOR FINAL REVIEW. PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF TRUSTEES. A SECURE WEB PORTAL IS AVAILABLE TO BOARD MEMBERS TO ACCESS THE RETURN.

FORM 990, PART VI, SECTION B, LINE 12C:

THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC:R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES. THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER. COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT. THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED

BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT SHE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST. FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

THE EXECUTIVE COMPENSATION COMMITTEE OF THE YNHHS STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEE IS AUTHORIZED UNDER THE YNHHS BYLAWS AND IS RESPONSIBLE FOR

(1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,

(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND

(3) REPORTING SUCH ACTIONS TO THE FULL YNHHS BOARD ON AN ANNUAL BASIS.

IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS.

THE EXECUTIVE COMPENSATION COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT

HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE, AND PROVIDED TO THE BOARD.

PART VI, LINE 15B

THE EXECUTIVE COMPENSATION COMMITTEE OF THE YNHHS STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEE IS AUTHORIZED UNDER THE YNHHS BYLAWS AND IS RESPONSIBLE FOR

(1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,

(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND

(3) REPORTING SUCH ACTIONS TO THE FULL YNHHS BOARD ON AN ANNUAL BASIS.

IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE EXECUTIVE COMPENSATION COMMITTEE CONSISTS OF BOARD

MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

ANY AVAILABLE COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT. OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY OFFICE OF LEGAL AND CORPORATE COMPLIANCE. THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE. COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

PROFESSIONAL & CONSULTING FEES:

PROGRAM SERVICE EXPENSES	4,430,524.
MANAGEMENT AND GENERAL EXPENSES	974,268.
FUNDRAISING EXPENSES	21,885.
TOTAL EXPENSES	5,426,677.

Name of the organization YALE-NEW HAVEN HOSPITAL | Employer identification number 06-0646652

OHCA ASSESSMENT:

PROGRAM SERVICE EXPENSES	729,155.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	729,155.

SYSTEM SUPPORT FEES:

PROGRAM SERVICE EXPENSES	24,169,692.
MANAGEMENT AND GENERAL EXPENSES	3,934,601.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	28,104,293.

OUTSIDE CONTRACTUAL SERVICES:

PROGRAM SERVICE EXPENSES	81,311,934.
MANAGEMENT AND GENERAL EXPENSES	23,592,655.
FUNDRAISING EXPENSES	844,643.
TOTAL EXPENSES	105,749,232.

YNHHSC SHARED PROJECT FEES:

PROGRAM SERVICE EXPENSES	138,457,926.
MANAGEMENT AND GENERAL EXPENSES	39,760,540.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	178,218,466.

EMPLOYEE RECRUITMENT FEES:

PROGRAM SERVICE EXPENSES	558,340.
MANAGEMENT AND GENERAL EXPENSES	160,338.

Name of the organization: YALE-NEW HAVEN HOSPITAL | Employer identification number: 06-0646652

FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	718,678.
AMBULANCE SERVICES:	
PROGRAM SERVICE EXPENSES	2,547,174.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	2,547,174.
YALE U PERSONNEL & SUPPORT FEE:	
PROGRAM SERVICE EXPENSES	160,568,848.
MANAGEMENT AND GENERAL EXPENSES	46,110,184.
FUNDRAISING EXPENSES	414.
TOTAL EXPENSES	206,679,446.
DOCUMENT CENTER SERVICES:	
PROGRAM SERVICE EXPENSES	183,573.
MANAGEMENT AND GENERAL EXPENSES	52,716.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	236,289.
TEMPORARY STAFFING:	
PROGRAM SERVICE EXPENSES	4,493,841.
MANAGEMENT AND GENERAL EXPENSES	1,290,482.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	5,784,323.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	534,193,733.

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

FUNDING OF CLINICAL PROGRAMS	-5,269,000.
BEQUESTS, GIFTS & GRANTS	10,949,446.
NET ASSETS RELEASE FOR OPERATIONS	135,000.
INVESTMENT INCOME RELEASED FROM RESTRICTIONS	880,463.
AUXILIARY SERVICES/MISC	869,770.
PENSION & POST RETIREMENT ADJUSTMENTS	-44,799,000.
CHANGE IN INTEREST IN PERPETUAL TRUST	5,259,000.
TRANSFER TO YNH NETWORK CORP/YNHHSC	-39,042,000.
NET ASSETS RELEASE FOR OPERATIONS	-3,099,000.
RELEASE FOR WINCHESTER/MCFADDEN	6,220,953.
NON-CONTROLLING INTEREST	-2,320,000.
RELEASE FOR FREE CARE & CHANGES	-1,346,614.
TOTAL TO FORM 990, PART XI, LINE 9	-71,560,982.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Part I **Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
GREENWICH HOSPITAL - 06-0646659 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CONNECTICUT	501C3	LINE 3	GREENWICH HEALTH CARE SERVICES, INC	X	
GREENWICH HEALTH CARE SRVS, INC - 22-2593399 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	YALE NEW HAVEN HEALTH SERVICES INC		X
GREENWICH HOSPITAL ENDOW FUND INC - 06-1526642, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES, INC	X	
BRIDGEPORT HOSP & HEALTHCARE SRVS, MERGED 5/16/14 - 06-1066729, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES INC		X

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL - 06-0646554 267 GRANT STREET BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
SOUTHERN CONNECTICUT HEALTH SYSTEM PROPERTIES, INC - 06-1297708, 267 GRANT STREET, BRIDGEPORT, CT 06610	TITLE HOLDING	CONNECTICUT	501C2		SEE PART VII	X	
BRIDGEPORT HOSPITAL AUXILIARY INC 06-6042500, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	SEE PART VII	X	
BRIDGEPORT HOSPITAL FOUNDATION, INC - 22-2908698, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 7	SEE PART VII	X	
NORMA F PFREIM BREAST CANCER INC MERGED 02/20/14 - 06-0567752, 111 BEACH ROAD, FAIRFIELD, CT 06430	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSPITAL	X	
NORTHEAST MEDICAL GROUP INC - 06-1330992 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 9	YALE NEW HAVEN HEALTH SERVICES INC	X	
NORTHEAST MEDICAL GROUP, PLLC - 35-2380180 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	NORTHEAST MEDICAL GROUP	X	
YALE NEW HAVEN HEALTH SERVICES CORP - 22-2529464, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	N/A		X
YNH NETWORK CORP MERGED 05/16/14 - 06-1513687, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES INC		X
YALE-NEW HAVEN CARE CONTINUUM CORP - 45-5235566, 789 HOWARD AVE, NEW HAVEN, CT 06519	NURSING HOME/HEALTHCARE	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
CARITAS INSURANCE - 03-0322238 40 MAIN STREET BURLINGTON, VT 05401	INSURANCE	VERMONT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL		X
PERRYRIDGE CORPORATION - 06-1207316 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501(C)(3)	LINE 11B, II	GREENWICH HEALTH CARE SERVICES, INC	X	

DOHP1987

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL FRIENDS OF PEDIATRICS - 06-6048427, 120 COLUMBINE DR, TRUMBULL, CT 06611	SYSTEM SUPPORT	CONNECTICUT	501(C)(3)	LINE 11A, I	YALE-NEW HAVEN HOSPITAL	X	
YALE NEW HAVEN MEDICAL CENTER INC - 23-7440891, 20 YORK STREET, NEW HAVEN, CT 06510	REAL ESTATE RENTAL	CONNECTICUT	501(C)(3)	LINE 11C, III-FI	N/A	X	

DOHP1988

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
SHORELINE SURGERY CENTER, LLC - 90-0110459, 60 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
SSC II, LLC - 26-1709382 111 GOOSE LANE GUILFORD, CT 06437	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
ORTHOPAEDIC & NEUROSURGERY CENTER,LLC - 27-3411797, 55 HOLLY HILL LANE, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
YNHHS-MSO INC - 06-1467717 789 HOWARD AVE NEW HAVEN, CT 06519	MANAGEMENT SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
YALE NEW HAVEN AMBULATORY SERVICES - 06-1398526, 40 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
MEDICAL CENTER REALTY - 06-1110858 50 YORK STREET NEW HAVEN, CT 06511	RENTAL	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH HEALTH SERVICES INC - 06-1233643 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH PEDIATRIC SERVICES PC DISSOLVED 9/22/14 - 74-3054409, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	

DOHP1989

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
GREENWICH INTEGRATIVE MEDICINE - DISSOLVED 9/22/14 - 26-0236411, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH FERTILITY & IVF PC - 30-0145464 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
YORK ENTERPRISES INC - 06-1110937 50 YORK STREET NEW HAVEN, CT 06511	TITLE HOLDING	CT	N/A	C CORP	N/A	N/A	N/A	X	
YNHH-PHYSICIANS CORP - 06-1202305 789 HOWARD AVE NEW HAVEN, CT 06519	ADMINISTRATIVE SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
MEDICAL CENTER PHARMACY - 06-1087673 50 YORK STREET NEW HAVEN, CT 06511	PHARMACY	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH OCCUP HEALTH SERV INC-NY - 06-1540101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NY	N/A	C CORP	N/A	N/A	N/A	X	
LUKAN INDEMNITY CO, LTD - 98-1072793 VALLIS BLDG 58 PAR LA VILLE RD HAMILTON, BERMUDA	INSURANCE	BERMUDA	YALE NEW HAVEN HOSPITAL	C CORP	0.	0.	100.00%		X
GREENWICH OCCUP HEALTH SERV INC NJ - 45-3833883, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NJ	N/A	C CORP	N/A	N/A	N/A	X	
PRIMARYNET OF CONNECTICUT - 06-1463534 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY FINANCIAL SERVICES, INC 06-1110797 23 MAIDEN LANE NORTH HAVEN, CT 06473	DEBT COLLECTION	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY MANAGEMENT SERVICES, INC - 06-1303173, 23 MAIDEN LANE, NORTH HAVEN, CT 06473	RECEIVABLE MANAGEMENT	CT	N/A	C CORP	N/A	N/A	N/A	X	

DOHP1990

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j	X	
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	YALE NEW HAVEN HEALTH SERVICES CORP	J	3,066,000.	COMPARABLE MARKET VALUE
(2)	YALE NEW HAVEN HEALTH SERVICES CORP	P	26,886,799.	TRANSACTION REVIEW
(3)	YALE NEW HAVEN HEALTH SERVICES CORP	M	188,471,600.	COMPARABLE MARKET VALUE
(4)	LUKAN INDEMNITY CO LTD.	R	3,276,741.	CASH
(5)	YALE NEW HAVEN MEDICAL CENTER INC	L	3,299,546.	TRANSACTION REVIEW
(6)	NORTHEAST MEDICAL GROUP, INC	L	3,158,540.	TRANSACTION REVIEW

DOHP1991

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)YALE NEW HAVEN AMBULATORY SERVICES CORP	S	4,931,560.	TRANSACTION REVIEW
(8)YNH NETWORK CORP	S	9,169,488.	COMPARABLE MARKET VALUE
(9)YALE NEW HAVEN CARE CONTINUUM CORP	Q	1,305,761.	TRANSACTION REVIEW
(10)YALE NEW HAVEN MEDICAL CENTER INC	K	303,077.	COMPARABLE MARKET VALUE
(11)YALE NEW HAVEN HEALTH SERVICES CORP	R	25,000,000.	CASH
(12)YALE NEW HAVEN CARE CONTINUUM CORP	L	213,710.	COMPARABLE MARKET VALUE
(13)MEDICAL CENTER REALTY INC	L	80,948.	COMPARABLE MARKET VALUE
(14)MEDICAL CENTER PHARMACY, INC	L	3,556,120.	COMPARABLE MARKET VALUE
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

DOHP1992

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

DOHP1993

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

PART II (F), DIRECT CONTROLLING ENTITY OF TAX-EXEMPT ORGANIZATIONS:

BRIDGEPORT HOSPITAL -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL AUXILIARY INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL FOUNDATION, INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

SOUTHERN CT HEALTH SYSTEM PROPERTIES INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN CARE CONTINUUM CORP -

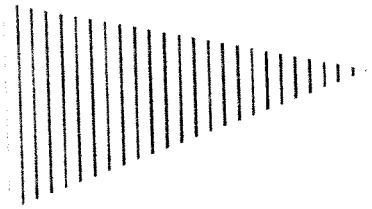
YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

Consolidated Financial Statements and Supplementary Information

Yale-New Haven Hospital and Subsidiaries
Years Ended September 30, 2014 and 2013
with Report of Independent Auditors

Ernst & Young LLP



Building a better working world

Yale-New Haven Hospital and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2014 and 2013

Contents

Report of Independent Auditors....1

Consolidated Financial Statements

Consolidated Balance Sheets....3
Consolidated Statements of Operations and Changes in Net Assets....5
Consolidated Statements of Cash Flows....7
Notes to Consolidated Financial Statements....8

Supplementary Information

Report of Independent Auditors on Supplementary Information....61
Consolidating Balance Sheet....62
Consolidating Statement of Operations and Changes in Net Assets....64

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Building a better working world

Report of Independent Auditors

The Board of Trustees
Yale-New Haven Hospital and Subsidiaries

We have audited the accompanying consolidated financial statements of Yale-New Haven Hospital and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yale-New Haven Hospital and Subsidiaries at September 30, 2014 and 2013, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Yale-New Haven Hospital and Subsidiaries

Consolidated Balance Sheets

	September 30 2014	2013
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	**$ 69,250**	$ 46,312
Short-term investments	**926,024**	709,453
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity and free care of approximately $171,491,000 in 2014 and $168,364,000 in 2013	**264,671**	238,901
Other receivables	**33,771**	47,794
Professional liabilities insurance recoveries receivable – current portion	**18,968**	21,142
Other current assets	**72,597**	63,933
Amounts on deposit with trustee in debt service fund	**4,394**	7,176
Total current assets	**1,389,675**	1,134,711
Assets limited as to use	**124,869**	84,095
Long-term investments	**263,938**	214,382
Deferred financing costs, less accumulated amortization	**9,285**	8,079
Professional liabilities insurance recoveries receivable – non-current	**49,433**	60,199
Goodwill	**44,818**	38,955
Other assets	**172,823**	186,969
Property, plant and equipment:		
Land and land improvements	**42,308**	37,109
Buildings and fixtures	**1,151,698**	1,122,751
Equipment	**458,802**	465,434
	1,652,808	1,625,294
Less accumulated depreciation	**754,130**	695,193
	898,678	930,101
Construction in progress	**27,576**	23,639
	926,254	953,740
Total assets	**$ 2,981,095**	$ 2,681,130

	September 30 2014	2013
	(In Thousands)	
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 153,601**	$ 155,485
Accrued expenses	**199,923**	171,831
Professional liabilities – current portion	**18,968**	21,142
Other current liabilities	**17,922**	15,488
Current portion capital lease obligation	**2,963**	2,598
Current portion of debt	**7,626**	11,070
Total current liabilities	**401,003**	377,614
Long-term debt, net of current portion	**802,124**	677,492
Long-term capital lease obligation, net of current portion	**50,838**	53,801
Accrued pension and postretirement benefit obligations	**231,477**	197,950
Professional liabilities	**115,868**	128,720
Other long-term liabilities	**215,877**	169,893
Deferred revenue	**44,378**	47,297
Total liabilities	**1,861,565**	1,652,767
Commitments and contingencies		
Net assets:		
Unrestricted	**1,017,424**	938,843
Temporarily restricted	**64,318**	59,982
Permanently restricted	**35,906**	27,155
Total Yale-New Haven Hospital & Subsidiaries net assets	**1,117,648**	1,025,980
Non-controlling interest	**1,882**	2,383
Total net assets including non-controlling interest	**1,119,530**	1,028,363
Total liabilities and net assets	**$ 2,981,095**	$ 2,681,130

See accompanying notes.

Yale-New Haven Hospital and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2014	**2013**
	(In Thousands)	
Operating revenue:		
Net patient service revenue	**$ 2,448,983**	$ 2,399,630
Less: Provision for bad debts	**(72,829)**	(82,200)
Net patient service revenue, less provision for bad debts	**2,376,154**	2,317,430
Other revenue	**60,453**	60,720
Total operating revenue	**2,436,607**	2,378,150
Operating expenses:		
Salaries and benefits	**1,050,746**	1,041,586
Supplies and other expenses	**1,096,590**	1,075,383
Depreciation	**124,012**	109,616
Insurance	**8,275**	16,811
Interest	**24,002**	24,246
Total operating expenses	**2,303,625**	2,267,642
Income from operations	**132,982**	110,508
Non-operating gains (losses), net:		
Income from investments, donations and other, net	**79,111**	57,953
Change in fair value of swap, including counterparty payments	**(16,357)**	16,586
Loss on refunding of long-term debt	**(32,631)**	–
Discontinued operations	**–**	(1,844)
Excess of revenue over expenses, before non-controlling interest	**163,105**	183,203
Less: Income attributable to non-controlling interest	**(2,320)**	(2,750)
Excess of revenue over expenses	**160,785**	180,453

Yale-New Haven Hospital and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2014	2013
	(In Thousands)	
Other changes in unrestricted net assets:		
Excess of revenue over expenses (continued)	$ 160,785	$ 180,453
Other changes in net assets	135	343
Transfer to Yale-New Haven Health Services Corporation – Clinical Development Fund	–	(6,000)
Transfer to Yale-New Haven Health Services Corporation – Mission Support	(14,042)	(11,793)
Transfer (to) from Yale-New Haven Health Services Corporation	(25,000)	2,900
Net assets released from restrictions for purchases of fixed assets	1,502	152
Pension and other postretirement liability adjustments	(44,799)	88,656
Increase in unrestricted net assets	78,581	254,711
Temporarily restricted net assets:		
Income from investments	$ 298	$ 241
Net realized gains on investments	583	768
Change in net unrealized gains and losses on investments	6,481	5,421
Bequests and contributions	7,457	20,777
Net assets released from restrictions for purchases of fixed assets	(1,502)	(152)
Net assets released from restrictions for free care	(613)	(779)
Net assets released from restrictions for operations	(3,099)	(2,822)
Net assets released from restrictions for clinical programs	(5,269)	(9,498)
Increase in temporarily restricted net assets	4,336	13,956
Permanently restricted net assets:		
Bequests and contributions	3,492	–
Change in beneficial interest in perpetual trusts	5,259	411
Increase in permanently restricted net assets	8,751	411
Non-controlling interest:		
Income attributable to non-controlling interest	2,320	2,750
Distributions to non-controlling interest	(2,821)	(2,764)
	(501)	(14)
Increase in net assets	91,167	269,064
Net assets at beginning of year	1,028,363	759,299
Net assets at end of year	$ 1,119,530	$ 1,028,363

See accompanying notes.

Yale-New Haven Hospital and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended September 30 2014	2013
	(In Thousands)	
Operating activities		
Increase in net assets	$ 91,167	$ 269,064
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	124,012	109,616
Net realized and change in net unrealized gains and losses on investments	(87,505)	(63,635)
Change in fair value of interest rate swap agreements	1,803	(16,946)
Amortization of long-term debt premium	(1,192)	(965)
Amortization of deferred financing costs	329	333
Bad debts	72,829	65,535
Loss on refunding of long-term debt	32,631	–
Change in perpetual trusts	(5,258)	(411)
Transfer to Yale-New Haven Health Services Corporation – Clinical Development Fund	–	6,000
Transfer to from Yale-New Haven Health Services Corporation	39,042	8,893
Bequests, and contributions, net of pledges	(10,949)	(14,717)
Pension and other postretirement liability adjustments	44,799	(88,656)
Changes in operating assets and liabilities:		
Accounts receivable, net	(98,599)	(98,732)
Other receivables	14,023	1,413
Other assets	(381)	(29,658)
Accounts payable	(1,884)	18,513
Accrued expenses	28,092	1,587
Professional insurance recoveries and liabilities	(2,086)	3,479
Other current liabilities, accrued pension and postretirement benefit obligations, other long-term liabilities, and deferred revenue	32,424	17,844
Net cash provided by operating activities	273,297	188,557
Investing activities		
Net acquisitions of property, plant and equipment	(96,716)	(113,786)
Sale of property	–	53,605
Capitalized interest	190	146
Net change in investments	(178,622)	(82,602)
Increase in debt service fund	2,782	(557)
Assets limited as to use	(35,516)	22,004
Transfer to Yale-New Haven Health Services Corporation – Clinical Development Fund	–	(6,000)
Transfer to Yale-New Haven Health Services Corporation	(39,042)	(8,893)
Net cash used in investing activities	(346,924)	(136,083)
Financing activities		
Proceeds from issuance of long-term debt	578,670	232,000
Payments on capital lease obligations	(2,598)	(56,237)
Payments of long-term debt	(484,157)	(10,865)
Payments of bank line of credit payable	–	(212,000)
Payments of notes payable	–	(40,000)
Cost of issuance of long-term debt	(6,299)	(3,230)
Bequests, and contributions, net of pledges	10,949	14,717
Net cash provided by (used in) by financing activities	96,565	(75,615)
Net increase (decrease)in cash and cash equivalents	22,938	(23,141)
Cash and cash equivalents at beginning of year	46,312	69,453
Cash and cash equivalents at end of year	$ 69,250	$ 46,312

See accompanying notes.

1. Organization and Significant Accounting Policies

Organization

YNH Network Corporation and Subsidiaries (YNHNC) was a Connecticut not-for-profit, non-stock corporation established to promote and carry out charitable, scientific and educational activities. YNHNC was the sole member of Yale-New Haven Hospital, Inc. (the Hospital or Y-NHH), Yale-New Haven Care Continuum Corporation (YNHCCC), and the parent organization of Yale-New Haven Ambulatory Services Corporation and Subsidiaries (ASC) and York Enterprises, Inc. and Subsidiaries (York). YNHNC controlled, through contractual agreements, Quinnipiac Medical P.C. (QMPC) and Community Healthcare Physicians (CHCP). YNHNC had an affiliation agreement with Yale-New Haven Health Services Corporation (YNHHSC) in which YNHHSC was the sole member of YNHNC.

The Hospital is a voluntary association incorporated under the General Statutes of the State of Connecticut.

In fiscal year 2014, the Hospital and its parent company, YNHNC, were merged in connection with the formation of an Obligated Group and are now referred to as Yale-New Haven Hospital and Subsidiaries. As a result, the Hospital's financial statement reporting entity changed to include YNHCCC, ASC and York previously reported in the consolidated financial statements of YNHNC, retrospective to October 1, 2012. The change in reporting entity was retrospectively applied to the consolidated financial statements of the Hospital for all years presented. The Hospital controls, through contractual agreements, QMPC and CHCP.

YNHHSC is the sole member of two similar organizations, Bridgeport Hospital (BH) and Greenwich Health Care Services, Inc. (GHCS). Each of these three tax-exempt organizations serves as the sole member/parent for its respective delivery network of regional health care providers and related entities. YNHHSC is also the sole member of Northeast Medical Group, Inc. (NEMG).

Concurrent with the issuance of the Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Yale-New Haven Health Obligated Group Issue, Series A, B, C, D and E dated May 20, 2014, six members of the Yale New Haven Health System and Subsidiaries were combined to form an Obligated Group. The Obligated Group comprises YNHHSC, Y-NHH, Yale-New Haven Care Continuum Corporation, Bridgeport Hospital, the Bridgeport Hospital Foundation and NEMG (the Obligated Group). YNHHSC serves as agent of the Obligated Group. The members of the Obligated Group have adopted certain governance

1. Organization and Significant Accounting Policies (continued)

provisions in their certificates of incorporation and by-laws pursuant to which YNHHSC retains the authority to directly take certain actions on behalf of each Obligated Group member without the approval of the Board of Trustees (the Board) of the applicable Obligated Group member, including the incurrence of indebtedness on behalf of each Obligated Group member, the management and control of the liquid assets of each, and the appointment of the president and chief executive officer of each Obligated Group member.

The Hospital is the parent of:

YNHCCC, a Connecticut non-stock corporation, is a wholly owned subsidiary of the Hospital. YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury, or a traumatic major illness. Its services include respite care for family members and caregivers, recovery for victims of strokes, orthopedic recovery services, medications and diagnostic services (such as radiological services).

ASC, a Connecticut non-stock, taxable corporation, is a wholly owned subsidiary of Y-NHH, and is 51% owner of Shoreline Surgery Center, LLC (SSC) and SSC II, LLC.

York, a Connecticut corporation formed for the purpose of initiating or acquiring business entities. Currently, York has two subsidiaries: Medical Center Pharmacy and Home Care, Inc. (MCP) and Medical Center Realty, Inc. (MCR). MCP is a Connecticut stock, for-profit company, which operated a retail pharmacy with multiple locations until February 2011. MCR is a Connecticut stock, for-profit company, which owns or holds leases on YNHHSC's affiliated commercial space. York is the sole shareholder of MCP and MCR.

QMPC and CHCP are Connecticut stock, for-profit, professional corporations formed in 1994 and 1996, respectively, to employ New Haven area primary care physicians. All of the stock of QMPC and CHCP is owned by the Chief of Staff of the Hospital, who has assigned his rights in QMPC and CHCP to the Hospital. QMPC and CHCP were dissolved effective September 27, 2013.

1. Organization and Significant Accounting Policies (continued)

Caritas Insurance Company, Ltd. (Caritas) is a Vermont-domiciled, captive insurance company licensed under Chapter 141 of Title 8 of the Vermont Statutes Annotated. Caritas is a tax-exempt supporting organization having the Hospital as its sole shareholder. Caritas provides excess professional liability coverage and general liability coverage. Prior to the 2012 acquisition of the stock of Caritas by Y-NHH from the Hospital of Saint Raphael (HSR), Caritas was a wholly-owned subsidiary of HSR.

Lukan Indemnity Company, Ltd. (Lukan) is a Bermuda-domiciled captive insurance company that provides primary professional liability coverage. Prior to the 2012 acquisition of the stock of Lukan by Y-NHH from HSR, Lukan was a wholly owned subsidiary of HSR.

The Hospital and subsidiaries operate with a separate Board of Trustees, management staff and medical staff; however, YNHHSC must approve the strategic plans, operating and capital budgets, and Board of Trustees appointments of the Hospital.

1. Organization and Significant Accounting Policies (continued)

Change in Reporting Entity

The impact of the change in reporting entity on selected previously reported financial statement line items is as follows:

	Amounts Previously Reported	Adjustments	As Adjusted
Balance sheet – September 30, 2013			
Total current assets	$ 1,120,755	$ 13,956	$ 1,134,711
Total assets	2,657,547	23,583	2,681,130
Total current liabilities	367,966	9,648	377,614
Total liabilities	1,639,422	13,345	1,652,767
Total net assets	1,018,125	10,238	1,028,363
Total liabilities and net assets	2,657,547	23,583	2,681,130
Statement of operations and changes in net assets – year ended September 30, 2013			
Total operating revenue	$ 2,341,549	$ 36,601	$ 2,378,150
Total operating expenses	2,236,673	30,969	2,267,642
Income from operations	104,876	5,632	110,508
Excess of revenue over expenses before non-controlling interest	178,722	4,481	183,203
Net assets, October 1, 2012	$ 748,778	$ 10,521	$ 759,299
Increase in net assets	269,347	(283)	269,064
Net assets, September 30, 2013	1,018,125	10,238	1,028,363
Statement of cash flows – year ended September 30, 2013			
Net cash provided by operating activities	$ 183,259	$ 5,298	$ 188,557
Net cash used in investing activities	(133,017)	(3,066)	(136,083)
Net cash used in financing activities	(74,444)	(1,171)	(75,615)
Net decrease in cash and cash equivalents	(24,202)	1,061	(23,141)

1. Organization and Significant Accounting Policies (continued)

Acquisitions

On June 1, 2014, NEMG and YNHHSC acquired certain assets of PriMed, LLC (PriMed), a physician practice for approximately $54.2 million. YNHHSC contributed the entire purchase price, of which $25 million was transferred from the Hospital to YNHHSC. PriMed is a multi-specialty group of approximately 120 providers in 36 locations across Fairfield County and New Haven County, Connecticut. PriMed also is the sole member of a gastroenterology surgery center, the Fairfield County Endoscopy Center, and offers a number of ancillary services, such as a sleep laboratory, cardiac diagnostic testing, physical therapy and nutritional counseling. Under the terms of the transaction, NEMG and YNHHSC acquired substantially all the assets of PriMed and a 40% interest in the gastroenterology surgery center.

On October 11, 2013, the Hospital purchased 100% controlling interest of Saint Raphael Magnetic Resonance Center (SRMP) for approximately $7.4 million. Prior to the purchase of this practice by the Hospital, the controlling interest in SRMP was owned through a 50/50 joint venture between ASC and Medical Imaging Associates, P.C. ASC transferred its 50% ownership to the Hospital. In connection with this transaction, the Hospital recorded goodwill in the amount of $5.9 million.

Disposal

In August 2013, ASC discontinued the operations of Temple Recovery Care Center, a ten-bed rehabilitation center, located at the New Haven Hotel. The following table summarizes the disposal group (in thousands).

	September 2013
Carrying value of disposed assets	$ 136
Revenue	1,084
Loss of disposed group	(1,844)

1. Organization and Significant Accounting Policies (continued)

Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the Hospital and its wholly owned subsidiaries. All significant intercompany revenue and expenses and intercompany balance sheet accounts have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

During the years ended September 30, 2014 and 2013, the Hospital recorded a change in estimate of approximately $8.9 million and $3.6 million, respectively. Included in the change are amounts related to favorable third-party payor settlements.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose and appreciation on permanently restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. The Hospital is a partial beneficiary to various perpetual trust agreements. Assets recorded under these agreements are recognized at fair value. The investment income generated from these trusts is unrestricted and the assets are classified as permanently restricted.

The restricted funds investments are pooled with unrestricted investments to facilitate their management. Investment income is allocated to the restricted funds using the market value unit method. The Board approves spending for certain pooled funds based on total return. Realized gains and losses from the sale of securities are computed using the average cost method.

1. Organization and Significant Accounting Policies (continued)

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recognized as revenue and is classified as either unrestricted or temporarily restricted in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions receivable, included in other receivables and other assets in the accompanying consolidated balance sheets at September 30, 2014 and 2013, are expected to be received as follows (in thousands):

	September 30	
	2014	**2013**
Less than one year	**$ 3,979**	$ 8,691
One to five years	**1,285**	1,158
	5,264	9,849
Less unamortized discount on contributions receivable (0.2% to 3.7%)	**(52)**	(60)
	5,212	9,789
Allowance for uncollectible contributions	**(156)**	(294)
	$ 5,056	$ 9,495

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

1. Organization and Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use and which are not maintained in the short- or long-term investment portfolios.

Cash and cash equivalents are maintained with domestic financial institutions with deposits that exceed federally insured limits. It is the Hospital's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

Loan Receivable

On September 2014, the Hospital entered into a term loan agreement as part of a transaction with a health care provider more fully described in Note 10. The term-loan agreement has a term that coincides with an agreement for the Hospital to lease an Inpatient Rehabilitation Unit (IRU). The term of the IRU Lease Agreement is five years and provides the Hospital with two five-year renewal options at the end of each term.

The term loan bears interest of 6.5% annually that is payable monthly. The loan is collateralized by certain property owned by a subsidiary of the health care provider.

1. Organization and Significant Accounting Policies (continued)

Investments

The Hospital has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value (quoted market prices) in the accompanying consolidated balance sheets.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the Hospital holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the University) reported net asset value per unit for measurement of the units' fair value for the Yale University investment. Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the Hospital's holdings may be determined by the investment manager or general partner. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the Hospital to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the Hospital's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors. Future funding commitments for alternative investments aggregated approximately $2.5 million at September 30, 2014.

The Hospital participates in the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust is comprised of two pools: the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

1. Organization and Significant Accounting Policies (continued)

Under the terms of the investment management agreement with the Trust, withdrawals of the Hospital's investment in the L-TIP can be made annually by the Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2014, the Hospital can withdraw 100% of its investment in the L-TIP on July 1, 2015. Withdrawals of the Hospital's investment in the I-TIP in any amount can be made quarterly with 30 days advance notice.

The Trust has an agreement with the University's investment office (the Investment Management Agreement) which allows the University to manage a portion of the Trust's investments as part of the University's Endowment Pool (the Pool). For each of the years ended September 30, 2014 and 2013, the Trust transferred $100.0 million to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income and cash.

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1. For withdrawals of amounts less than $150.0 million or 75% of the Trust's investment in the Pool, $100.0 million or 50% of the Trust's investment in the Pool, and $50.0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In March 2006, the Hospital entered into an arrangement with the University whereby the University will manage certain Board-designated assets of the Hospital. These Board-designated assets are commingled in the University's endowment pool. At September 30, 2014 and 2013, the carrying value of assets managed by the University under this arrangement was approximately $10.4 million and $9.4 million, respectively. Because of the limitations on their use, the assets are separately classified from assets invested under the Investment Management Agreement.

1. Organization and Significant Accounting Policies (continued)

In 2011, the investment management agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances interest of U.S. Prime rate, plus 2% will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of Trust's units in the Endowment using the June 30 unit valuation. No advances have been requested or taken by the Trust.

Short-term investments represent those securities that are available for the Hospital's operations and can be converted to cash within one year.

Inventories

Inventories are stated at the lower of cost or market. The Hospital values its inventories using the first-in, first-out method with the exception of pharmacy inventories, which are valued at average cost.

Assets Limited as to Use

Assets so classified represent assets held by trustees under indenture agreements, beneficial interest in perpetual trusts and designated assets set aside by the Board for future capital improvements and other Board approved uses. The Board retains control and, at its discretion, may use for other purposes assets limited as to use for plant improvements and expansion. Amounts required to meet current liabilities are reported as current assets. These funds consist primarily of U.S. Government securities, mutual funds and money market funds.

Perpetual Trusts

The Hospital is the beneficiary of certain perpetual trusts held and administered by others. The present values of the estimated future cash receipts, which are measured based on the fair value of the assets held by the trust, are recognized as assets and contribution revenue at the dates the trusts are established. Distributions from the trusts related to earnings and investment income are recorded as contributions and the carrying value of the assets is adjusted for changes in the fair value.

1. Organization and Significant Accounting Policies (continued)

Interest Rate Swap Agreements

The Hospital utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The Hospital is exposed to credit loss in the event of non-performance by the counterparties to its interest rate swap agreements. The Hospital is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the Hospital.

Benefits and Insurance

The Hospital is effectively self-insured for medical, hospitalization, dental and prescription drug benefits provided to employees. The Hospital makes annual contributions to the YNHHSC Voluntary Employee Beneficiary Association (VEBA) plan to fund medical, dental, hospitalization, group term life insurance and prescription drug benefits. Annually, premiums are set to reflect the estimated cost of benefits. During the years ended September 30, 2014 and 2013, the Hospital made actuarially determined contributions, net of premium adjustments, to the VEBA plan of approximately $138.7 million and $138.6 million, respectively.

The Hospital is self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including claims incurred but not reported (IBNR) and are based on the Hospital specific experience. At September 30, 2014 and 2013, the estimated discounted liabilities for self-insured workers' compensation claims and IBNR aggregated approximately $21.3 million, discounted at 2.5%, and $21.1 million, discounted at 2.5%, respectively, and are included in accrued expenses in the accompanying balance sheets.

Professional Liability Insurance

The Hospital participates in the YNHHSC coordinated professional liability program. Based on the terms of the agreement with YNHHSC, the Hospital records the actuarially determined liabilities for incurred but not reported professional and general liabilities and has recorded a deposit (asset) for liabilities transferred in the year ended September 30, 1998.

1. Organization and Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in income from operations. Depreciation of property, plant and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 50 years. The cost of additions and improvements are capitalized and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

The Hospital and the Housing Authority of New Haven (HANH) entered into an agreement to swap parcels of land on the Legion/Howard/Sylvan/Ward block located in New Haven, Connecticut. As part of the key terms of the agreement, HANH pledged an account to the Hospital in the amount of $5.7 million. The pledged account was established at the time the Hospital conveyed the land to HANH in July 2010. If HANH failed to meet certain requirements of the agreement, including conveying its land parcel to the Hospital, the Hospital had the right to withdraw from the pledged account in the amount of $5.2 million. On November 21, 2013, all criteria was met and HANH conveyed its land parcel to the Hospital in the amount of $5.2 million.

Goodwill

Goodwill is not amortized but instead tested at least annually for impairment or more frequently when events or changes in circumstances indicate that the assets might be impaired. This impairment test is performed annually at the reporting unit level. The Hospital evaluates goodwill at the entity level as management has determined that the Hospital's operation comprise a single reporting entity. Goodwill is considered to be impaired if the carrying value of the reporting unit, including goodwill, exceeds the reporting unit's fair value. Reporting unit fair value is estimated using both income (discounted cash flows) and market approaches.

The discounted cash flow approach requires the use of assumptions and judgments including estimates of future cash flows and the selection of discount rates. The market approach relies on comparisons to publicly traded stocks or to sales of similar companies. The Hospital has determined that no goodwill impairment exists at September 30, 2014.

1. Organization and Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue includes amounts which have been received that relate to future years. Amounts will be reduced as revenue is earned.

Excess of Revenue over Expenses

In the accompanying consolidated statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating.

Contributions of, or restricted to, property, plant and equipment, transfers of assets to and from affiliates for other than goods and services, and pension and other post-retirement liability adjustments are excluded from the performance indicator but are included in the change in net assets.

Income Taxes

YNHCCC and the Hospital are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and are exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code. YNHCCC and the Hospital are also exempt from state income tax.

ASC and York are subject to federal and state corporate income taxes. Deferred income taxes are provided on temporary differences between financial statement and tax reporting. The provision for income taxes and deferred taxes are not material to the consolidated financial statements.

Operating Expenses

The Hospital records amounts received from the University, area hospitals and other local healthcare providers for costs incurred on behalf of those organizations as reductions to expenses. For the years ended September 30, 2014 and 2013, the Hospital recorded approximately $60.5 million and $67.3 million, respectively, as reductions to expenses.

1. Organization and Significant Accounting Policies (continued)

Deferred Financing Costs

The Hospital capitalizes costs incurred in connection with the issuance of long-term debt and amortizes these costs over the life of the respective obligations using the effective interest method. The accumulated deferred financing cost was approximately $0.2 million and $1.5 million at September 30, 2014 and 2013, respectively.

Impairment of Assets

The Hospital reviews property, equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If such impairment indicators are present, the Hospital recognizes a loss on the basis of whether these amounts are fully recoverable.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2013, balances previously reported in the consolidated financial statements in order to conform with the year ended September 30, 2014, presentation. Approximately $16.7 million reported as a reduction to gross accounts receivable are now classified as allowances for uncollectible accounts, charity care, and free care on the accompanying consolidated balance sheet to conform with current year presentation. See Note 3 for additional information relative to the amendment of Y-NHH's Charity Care policy.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 is required on October 1, 2017, and management is currently evaluating the effect of this guidance on its financial statements.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges and per diem payments. Net patient service revenue is affected by the State of Connecticut Disproportionate Share program, includes premium revenue and is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Third-party payor receivables included in other receivables were $0.9 million and $5.7 million at September 30, 2014 and 2013, respectively. Third-party payor receivables included in other long-term assets were $7.9 million at September 30, 2013. Third-party payor liabilities included in other current liabilities were $36.2 and $15.1 million at September 30, 2014 and 2013, respectively. Third-party payor liabilities included in other long-term liabilities were $47.4 million and $40.1 million at September 30, 2014 and 2013, respectively.

The Hospital has established estimates based on information presently available, of amounts due to or from Medicare, Medicaid and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and the Hospital specific data. Such amounts are included in the accompanying consolidated balance sheets. Additionally, certain payors' payment rates for various years have been appealed by Y-NHH. If the appeals are successful, additional income applicable to those years might be realized. In April, 2014, YNHHS began participation in the Centers for Medicare & Medicaid Services Bundled Payments for Care Improvement initiative. Under the Bundled Payments for Care Improvement initiative, YNHHS has entered into payment arrangements that include financial and performance accountability for episodes of care.

Revenue from Medicare and Medicaid programs accounted for approximately 33% and 11%, respectively, of Y-NHH's net patient service revenue for the year ended September 30, 2014, and approximately 32% and 14%, respectively, of Y-NHH's net patient service revenue for the year ended September 30, 2013. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 36% and 28% for the years ended September 30, 2014, and 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

Y-NHH believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing except as disclosed in Note 10. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on Y-NHH. Cost reports for the Hospital, which serve as the basis for final settlement with government payors, have been settled by final settlement for various years ranging through 2010 for Medicare and through 2009 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 36% from Medicare, 14% from Medicaid, and 50% from non-governmental payors at September 30, 2014, and 34% from Medicare, 14% from Medicaid, and 52% from non-governmental payors at September 30, 2013.

Net patient service revenue is comprised of the following for the years ended September 30, 2014 and 2013 (in thousands):

	2014	2013
Gross revenue from patients	**$ 8,501,209**	$ 8,355,658
Deductions:		
Contractual allowances	**5,922,235**	5,868,328
Charity and free care (at charges)	**129,991**	87,700
Provision for doubtful accounts	**72,829**	82,200
Net patient service revenue	**$ 2,376,154**	$ 2,317,430

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

Patient service revenue for the years ended September 30, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation, is as follows, in thousands:

	2014	2013
Third party	$ 2,350,870	$ 2,282,412
Self-pay	98,113	117,218
Total all payors	$ 2,448,983	$ 2,399,630

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and Y-NHH considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, Y-NHH analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

Y-NHH's allowance for doubtful accounts totaled approximately $171.5 million and $168.4 million at September 30, 2014 and 2013, respectively. The allowance for doubtful accounts for self-pay patients was approximately 88.5% and 88.8% of self-pay accounts receivable as of September 30, 2014 and 2013, respectively.

3. Uncompensated Care and Community Benefit Expense

Y-NHH's commitment to community service is evidenced by services provided to the indigent and benefits provided to the broader community. Services provided to the indigent include services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.

3. Uncompensated Care and Community Benefit Expense (continued)

Y-NHH makes available free care programs for qualifying patients. In accordance with the established policies of Y-NHH, during the registration, billing and collection process a patient's eligibility for free care funds is determined. For patients who were determined by Y-NHH to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program and whose ability to pay cannot be determined by Y-NHH, care given but not paid for, is classified as charity care. During the year ended September 30, 2014, Y-NHH amended its Charity Care policy. Based upon the policy change, Y-NHH experienced increased charity care write-offs during the year.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $132.4 million and $115.0 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity.

The estimated cost of charity care provided was $85.3 million and $54.3 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the hospital for each account analyzed.

For the years ended September 30, 2014 and 2013, bad debt expense, at charges, was $72.8 million and $82.2 million, respectively. For the years ended September 30, 2014 and 2013, bad debt expense, at cost, was $47.1 million and $60.7 million, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program (CDSHP) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by an assessment on hospital net patient service revenue. During the years ended September 30, 2014 and 2013, the Hospital received $26.6 million and $58.0 million, respectively, in CDSHP distributions, of which approximately $17.1 million and $33.3 million, respectively was related to charity care. Y-NHH made payments into the CDSHP of $73.5 million for the years ended September 30, 2014 and 2013, respectively, for the assessment.

3. Uncompensated Care and Community Benefit Expense (continued)

Additionally, Y-NHH provides benefits for the broader community which includes services provided to other needy populations that may not qualify as indigent but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups. Y-NHH voluntarily assists with the direct funding of several City of New Haven programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, Y-NHH provides additional benefits to the community through its advocacy of community service by employees. Y-NHH's employees serve numerous organizations through board representation, membership in associations and other related activities. Y-NHH also solicits the assistance of other healthcare professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund and assets limited as to use is set forth in the following table (in thousands):

	September 30 2014	2013
Money market funds	**$ 129,823**	$ 123,249
U.S. equity securities	**47,912**	43,594
U.S. equity securities –common collective trusts	**11,274**	13,789
International equity securities[a]	**70,671**	64,313
Fixed income:		
U.S. government	**120,702**	80,472
U.S. government – common collective trusts	**137,425**	82,103
International government[b]	**77,706**	63,960
Commodities	**122**	396
Hedge funds:		
Absolute return[c]	**10,304**	9,383
Real estate[d]	**9,628**	9,590
Interest in Yale University endowment pool[e]	**685,862**	511,719
Perpetual trusts[f]	**17,796**	12,538
Total	**$ 1,319,225**	$ 1,015,106

(a) Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR,GDR) or in direct foreign securities.

(b) Investments with external commodities futures manager.

(c) Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions.

(d) Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end REITs and limited partnerships.

4. Investments and Assets Limited as to Use (continued)

(e) Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

(f) Investments consist of several domestic and international equity and fixed income mutual funds, REITs, commodities and money market funds. There is also an investment in a hedge fund of funds.

Y-NHH's ownership percentage of the Trust was approximately 90.5% and 89.1% as of September 30, 2014 and 2013, respectively. Y-NHH's prorata portion of the Trust's investments are included above in the table.

5. Endowment

Y-NHH's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Y-NHH has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Y-NHH classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment related to Y-NHH's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Y-NHH in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, Y-NHH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of Y-NHH and

5. Endowment (continued)

the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of Y-NHH; and (7) the investment and spending policies of Y-NHH.

Changes in endowment net assets for the years ended September 30, 2014, are as follows (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 36,106	$ 27,155	$ 63,261
Investment return:			
Investment income	213	–	213
Net appreciation (realized and unrealized)	5,818	–	5,818
Total investment return	6,031	–	6,031
Contributions	–	3,493	3,493
Appropriation of endowment assets for expenditure	(5,898)	–	(5,898)
Other changes:			
Change in value of beneficial interest trusts	–	5,258	5,258
Endowment net assets, end of year	$ 36,239	$ 35,906	$ 72,145

5. Endowment (continued)

Changes in endowment net assets for the years ended September 30, 2013, are as follows (in thousands):

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 36,678	$ 26,744	$ 63,422
Investment return:			
Investment income	200	–	200
Net appreciation (realized and unrealized)	5,570	–	5,570
Total investment return	5,770	–	5,770
Contributions:			
Appropriation of endowment assets for expenditure	(6,342)	–	(6,342)
Other changes:			
Change in value of beneficial interest trusts	–	411	411
Endowment net assets, end of year	$ 36,106	$ 27,155	$ 63,261

	September 30 2014	2013
	(In Thousands)	
The portion of perpetual endowment funds subject to a time restriction under CUPMIFA:		
Without purpose restrictions	**$ 8,357**	$ 8,199
With purpose restrictions	**27,882**	27,907
Total endowment funds classified as temporarily restricted net assets	**$ 36,239**	$ 36,106

5. Endowment (continued)

Return Objectives and Risk Parameters

Y-NHH has adopted investment and spending policies for endowed assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under these policies, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that over time provide a rate of return that meets the spending policy objectives adjusted for inflation. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Y-NHH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Y-NHH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Y-NHH has a policy of appropriating for distribution each year based on a combination of the weighted average of the prior year spending adjusted for inflation and the amount that would have been spent using a predetermined percentage of the current market value of the endowment fund. In establishing this policy, Y-NHH considered the long-term expected return on its endowment.

6. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes (in thousands):

	September 30 2014	2013
Plant improvement and expansion	$ 13,005	$ 6,938
Specific hospital operations, teaching, research, free care and training	51,313	53,044
	$ 64,318	$ 59,982

Permanently restricted net assets of approximately $35.9 million and $27.2 million at September 30, 2014 and 2013, respectively, consist of donor restricted endowment principal and beneficial interests in perpetual trusts. The income generated from permanently restricted funds is expendable for purposes designated by donors, including research, free care, health care and other services.

7. Debt

A summary of long-term debt and capital lease obligations is as follows (in thousands):

	September 30	
	2014	**2013**
Intercompany debt with YNHHSC:		
Series J, 5.12% effective interest rate	$ –	$ 156,120
Series K, 3.11% effective interest rate	–	89,005
Series L, 3.68% effective interest rate	–	107,460
Series M, 5.24% effective interest rate	–	98,475
Series N, 4.27% effective interest rate	**44,815**	44,815
Series O, 2.84% effective interest rate	**50,000**	50,000
Series A, 3.77% effective interest rate	**102,300**	–
Series B, 2.30% effective interest rate	**168,275**	–
Series C, 3.11% effective interest rate	**83,625**	–
Series D, 3.68% effective interest rate	**108,275**	–
Series E, 3.47% effective interest rate	**44,963**	–
Series 2013 taxable bonds – 4.13% effective rate	**132,000**	132,000
Series 2014 taxable bonds – 4.37% effective rate	**50,725**	–
Capital lease obligation at an imputed interest of 6.0%, (Y-NHH)	**50,682**	52,237
Capital lease obligations at varying rates of imputed interest rate of 6.25% collateralized by leased equipment (York)	**3,119**	4,162
	838,779	734,274
Add premium	**24,772**	10,687
Less current portion	**(10,589)**	(13,668)
	$ **852,962**	$ 731,293

In September 2006, the Hospital issued Series J revenue bonds totaling approximately $280.9 million. The proceeds, including a premium of approximately $10.1 million, were used to finance a portion of the construction costs of a Cancer Hospital. The bond premium was being amortized and was included in capitalized interest through March 2010. As of the opening of the Cancer Hospital, the bond premium was amortized in the statement of operations. The Series J revenue bonds were issued in three sub-series as follows: (1) Series J-1, approximately

7. Debt (continued)

$174.4 million, consisting of approximately $83.7 million of serial bonds and approximately $90.7 million in term bonds bearing interest at 5% per annum; (2) Series J-2, approximately $40.0 million of revenue bonds bearing interest at 3.65% at September 30, 2007; (3) Series J-3, approximately $66.5 million of revenue bonds bearing interest 3.70% at September 30, 2007. The series J-2 and J-3 revenue bonds were refunded during the year ended September 30, 2008, by the issuance of Series L revenue bonds.

In May 2008, the Hospital issued Series K and Series L revenue bonds totaling approximately $216.6 million. The Series K revenue bonds were issued as Variable Rate Demand Bonds (VRDBs) in two sub-series, Series K-1 and K-2, of approximately $54.6 million each, with an effective rate of 3.11%. The proceeds from the Series K issuance were used to refund the Series I revenue bonds. The Series L revenue bonds were issued as VRDBs in two sub-series, Series L-1 and L-2, of approximately $53.7 million each, with an effective rate of 3.68%. The proceeds from the Series L issuance were used to refund the Series J-2 and J-3 revenue bonds.

In December 2010, the Hospital issued Series M revenue bonds totaling approximately $104.4 million. The proceeds, including a premium of approximately $1.0 million, were used to finance costs for the expansion and renovations to the Adult Emergency Department, the purchase and installation of machinery and equipment, various renovations and improvements to the Hospital's infrastructure. The premium was being amortized and included in capitalized interest through December 2012. As of the completion of these projects, the bond premium was amortized in the consolidated statement of operations. The Series M revenue bonds were issued as one series consisting of approximately $33.9 million of serial bonds bearing interest at 4.69%, and approximately $17.6 million, $17.8 million, and $35.1 million in term bonds bearing interest at 5.25%, 5.75%, and 5.50%, respectively, per annum.

On August 30, 2011, the Hospital entered into a loan agreement with a bank for $40.0 million. The Hospital agreed to repay the aggregate principal amount in five equal annual payments of $8.0 million, beginning on October 1, 2012. The loan bore interest at a rate equal to London Interbank Offered Rate (LIBOR) plus 0.50% per annum with an option to convert to a fixed rate loan upon formal notification to the bank, which may include a portion of or the total outstanding loan balance at the time notification is made. The loan was fully repaid by the issuance of the Series N, Series O, and Series 2013 bonds.

7. Debt (continued)

In July 2012, the Hospital entered into a line of credit with a bank in the amount of $27.0 million which was subsequently increased to $187.0 million. In July 2012, the Hospital drew the unconditional loan of $27.0 million to outfit a new facility. In September 2012, the Hospital drew the remaining $160.0 million. The line of credit required the Hospital to repay the bank in 24 equal monthly installments commencing on August 1, 2013. The full amount of the remaining balance was due on July 12, 2015. This obligation bore interest at a rate equal to LIBOR plus 0.45% per annum. The line of credit was fully repaid and cancelled by the issuance of the Series N, Series O, and Series 2013 bonds.

In September 2012, the Hospital drew on its $50.0 million line of credit with a bank, established in January 2012, in the amount of $25.0 million. This line of credit required repayment of the aggregate principal amount on the 364th day subsequent to the advance. This obligation bore interest at a rate equal to LIBOR plus 0.50% per annum. The line of credit was repaid in December 2012.

In January 2013, the Hospital issued Series N and Series O revenue bonds totaling approximately $100.0 million. The Series N revenue bonds were issued as fixed rate bonds with an effective interest rate of 4.27%. The Series O revenue bonds were issued as VRDBs with an effective interest rate of 2.84%. The proceeds, including a premium of approximately $5.2 million for the Series N revenue bonds, were used to refinance a line credit. The bond premium is being amortized as interest expense in the statement of operations and changes in net assets.

In January 2013, the Hospital issued Series 2013 taxable bonds totaling approximately $132.0 million. The Series 2013 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.13%. The proceeds were used to finance and refinance the costs of certain projects and activities in furtherance of the Hospital's tax-exempt purpose, including the refinancing of certain existing indebtedness.

In June 2014, the Obligated Group issued Series A revenue bonds totaling approximately $102.3 million and Series B revenue bonds totaling approximately $168.3 million. The Series A revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.77%. The Series B revenue bonds were issued as floating rate notes with an effective interest rate of 2.30%. The proceeds from the Series A revenue bonds, including a premium of approximately $14.8 million, and the proceeds from the Series B revenue bonds, were used to defease Y-NHH's Series J-1 and M revenue bonds. The bond premium is being amortized as interest expense using the effective interest method in the consolidated statement of operations and changes in net assets.

7. Debt (continued)

In June 2014, the Obligated Group issued Series C revenue bonds totaling approximately $83.6 million and Series D revenue bonds totaling approximately $108.3 million. The Series C revenue bonds were issued as VRDBs with an effective interest rate of 3.11%. The proceeds from the Series C issuance were used to refund Y-NHH's Series K revenue bonds. The Series D revenue bonds were issued as VRDBs with an effective interest rate of 3.68%. The proceeds from the Series D issuance were used to refund Y-NHH's Series L revenue bonds.

As a result of the above transactions, the Hospital incurred a loss on extinguishment of debt totaling approximately $32.6 million during the fiscal year ended September 30, 2014.

The Series C, Series D and Series O VRDBs are required to be supported by letter of credit facilities (LOCs) which have been executed with three financial institutions. These LOCs are scheduled to expire on May 2, 2016, June 23, 2017 and February 14, 2018, respectively.

In June 2014, the Obligated Group issued Series E revenue bonds totaling approximately $80.9 million. The Series E revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.47%. The proceeds included a premium of approximately $10.1 million. Of the proceeds, $50 million were used to finance costs for the installation of machinery and equipment and various renovations and improvements to the Hospitals' infrastructure. The remaining proceeds were used by BH. The premium is being amortized and included in capitalized interest. Upon completion of these projects, the bond premium will be amortized as interest expense in the consolidated statement of operations and changes in net assets.

In June 2014, the Obligated Group issued Series 2014 taxable bonds totaling approximately $50.7 million. The Series 2014 taxable bonds were issued as fixed rate bonds with an effective interest rate of 4.37%. The proceeds were used to finance the costs of certain projects and activities in furtherance of the System's tax-exempt purpose.

The terms of the various financing arrangements between CHEFA, the Obligated Group, and the financial institutions providing the LOCs and the Obligated Group provide for financial covenants regarding the Obligated Group's debt service coverage ratio and liquidity ratio. As of September 30, 2014, the Obligated Group was in compliance with such covenants.

7. Debt (continued)

Sinking fund installment amounts are to be made in accordance with the Series A, B, C, D, E, N and O financing agreements. Required monthly payments on the revenue bonds by the Hospital to a trustee are in amounts sufficient to provide for the payments of principal, interest and sinking fund installments, in accordance with the terms of the agreements and certain other annual costs of CHEFA.

Arbitrage rules apply for Series J-1, Series M and Series E tax-exempt debt. The rules require that, in specified circumstances, earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the Federal government.

In connection with the formation of the Obligated Group the Series A, B, C, D, E, N and O tax-exempt bonds and the Series 2013 and 2014 taxable bonds became an obligation of the Obligated Group and as such are reflected as intercompany debt with YNHHSC. Under the terms of the Master Indenture all members of the Obligated Group are jointly and severally liable for debt issued by YNHHSC on behalf of the Obligated Group.

Scheduled principal payments on all debt, including capital lease obligations, are as follows (in thousands):

	Debt	Capital Lease Obligations
2015	$ 7,626	$ 6,150
2016	7,930	6,235
2017	8,207	5,680
2018	8,493	4,879
2019	9,957	4,880
Thereafter	742,765	54,051
	$ 784,978	81,875
Less interest		(28,074)
Total capital lease obligations		$ 53,801

Capitalized interest at September 30, 2014 and 2013, totaled $29.9 million and $27.0 million, respectively.

7. Debt (continued)

YNHHSC, on behalf of the Obligated Group, has entered into interest rate swap agreements with financial institutions related to the Obligated Group's Series B, Series C and Series D debt. The Series C and Series D swaps were carried over as part of the refunding of the Series K and Series L debt.

The swap agreements fix the interest rate at a level viewed as desirable by the Hospital. Such agreements expose the Hospital to credit risk in the event of non-performance by the counterparties, some of which is collateralized. At September 30, 2014 and 2013, the fair value of all swap agreements based on current interest rates was approximately $32.3 million and $22.3 million, respectively, representing a payable to the counterparties (recorded in other long-term liabilities).

The following table summarizes the interest rate swap agreements (in thousands):

Swap Type	Expiration Date	Hospital Receives	Hospital Pays	Notional Amount at September 30 2014	2013
Series K – Fixed to Floating	July 1, 2025	LIBOR	3.11%	$ –	$ 59,987
Series L – Fixed to Floating	July 1, 2036	LIBOR	3.68	–	44,505
Series O – Fixed to Floating	July 1, 2053	67% of LIBOR	2.84	50,000	50,000
Series B – Fixed to Floating	July 1, 2049	67% of LIBOR	2.31	100,965	–
Series B – Fixed to Floating	July 1, 2049	LIBOR	2.29	67,310	–
Series C – Fixed to Floating	July 1, 2025	LIBOR	3.11	55,861	–
Series D – Fixed to Floating	July 1, 2036	LIBOR	3.68	44,505	–
				$ 318,641	$ 154,492

On September 20, 2012, the Hospital entered into a Forward Starting Interest Rate swap (the Series O swap), a LIBOR Swap Rate Lock and a Security Industry and Financing Markets Association (SIFMA) Rate Lock swap with two different counterparties. The agreements require the Hospital to pay a fixed rate and receive a floating rate based on LIBOR or SIFMA. The change in market value, as well as the net interest paid or received under the swap agreement, for the Series L swap was capitalized as part of the interest costs related to construction of the Cancer Hospital until construction was complete. Once the Cancer Hospital became operational these amounts were recorded in the consolidated statements of operations and changes in net assets.

7. Debt (continued)

In June 2014, YNHHSC, on behalf of the Obligated Group, entered into LIBOR swap rate locks with two counter parties (the Series B swaps). For the Series B swaps, there was an unfavorable change in fair value of $7.1 million for the year ended September 30, 2014, which was recorded in excess of revenue over expenses. No collateral was required under the Series B swap agreements for the year ended September 30, 2014.

For the Series K/C swap, there was a favorable change in fair value of approximately $1.0 million and $4.5 million, respectively, for the years ended September 30, 2014 and 2013, which was recorded in the excess of revenue over expenses. No collateral was required under the Series K/C swap agreement for the years ended September 30, 2014 and 2013.

For the Series L/D swap, there was an unfavorable change in fair value of approximately $2.2 million for the year ended September 30, 2014, and a favorable change in fair value of approximately $7.5 million for the year ended September 30, 2013, which was recorded in the excess of revenue over expenses. No collateral was required under the Series L/D swap agreement for the years ended September 30, 2014 and 2013.

For the Series O swap, there was an unfavorable change in fair value of $0.6 million for the year ended September 30, 2014, which was recorded in excess of revenue over expenses. For the Series O swap and the LIBOR Swap Rate Lock swap, there was a favorable change in fair value of $2.5 million and $1.0 million, respectively, for the year ended September 30, 2013, which was recorded in excess of revenue over expenses. No collateral was required under the Series O swap agreement for the years ended September 30, 2014 and 2013.

In February 2013, the SIFMA Rate Lock Swap and the LIBOR Swap Rate Lock were terminated. Upon termination, gains of $0.8 million and $4.5 million, respectively, were recorded in non-operating gains and losses, net.

For the years ended September 30, 2014 and 2013, the Hospital paid approximately $22.8 million and $23.2 million, respectively, for interest related to long-term debt, exclusive of the swap agreements.

In September 2008, SSC obtained a line of credit in the amount of $1,000,000. The interest was payable at the bank's prime rate through March 31, 2009. On April 1, 2009, the line of credit converted to a fixed-term loan due in equal monthly installments through August 31, 2013. The loan was repaid on August 13, 2013.

7. Debt (continued)

The debt agreements of SSC included the pledging as collateral SSC's owned equipment and fixtures, inventory and receivables. The debt agreements contained covenants related to the maintenance of financial ratios, including debt service coverage and days cash on hand. At September 30, 2013, SSC was in compliance with the financial ratio covenants.

The Hospital entered into a contract to lease space in a building adjacent to the Hospital. The Hospital's rental obligation commenced in December 2009. This capital lease has a term of twenty years from the commencement date with the option to extend the lease for four successive terms of ten years. Rental payments increase by 5% every five years. The Hospital is also subject to additional rent for its share of expenses, as defined in the contract. The Hospital has the option to purchase the property at the end of the fifth, tenth or twentieth year or at the end of each of the first three ten-year extension periods.

In January 2013, the Hospital entered into a transaction in connection with a building at 2 Howe Street, New Haven, Connecticut which was previously accounted for by the Hospital as a capital lease. Under the terms of the capital lease, the Hospital was obligated to purchase the building after an initial lease term of 3 years. In satisfaction of that obligation, the Hospital purchased the building and immediately sold the building to a third-party investor. The Hospital currently leases the building from the investor under a long-term operating lease. The Hospital owns the land on which the building is located and has entered into a prepaid long-term ground lease with the investor.

Assets recorded under the capital lease obligations totaled $70.2 million as of September 30, 2014 and 2013. Accumulated depreciation for the capital lease obligations totaled $19.0 million and $16.5 million at September 30, 2014 and 2013, respectively.

8. Pensions and Postretirement Benefits

Y-NHH has qualified and non-qualified defined benefit pension plans covering substantially all employees and executives. The benefits provided are based on age, years of service and compensation. Y-NHH's policy is to fund the pension benefits with at least the minimum amounts required by the Employee Retirement Income Security Act of 1974.

Y-NHH also sponsors contributory 403(b) and 401(k) plans covering substantially all employees. YNHNC's contributions for the 403(b) plan are made to a matching 401(a) plan and are determined based on employee contributions and years of service. The Hospital expensed

8. Pensions and Postretirement Benefits (continued)

approximately $32.9 million and $16.6 million relating to the defined contribution plan for the years ended September 30, 2014 and 2013, respectively. Amounts due to the defined contribution plan amounted to $16.5 million at September 30, 2014, and is included in accrued expenses in the accompanying balance sheets. Y-NHH maintains a Section 457 non-qualified deferred compensation plan. Contributions are made on a pre-tax basis. The balances recorded at September 30, 2014 and 2013, in other assets and other long-term liabilities were $32.5 million and $27.3 million, respectively.

Effective September 30, 2013, the qualified defined benefit pension plan and the 401(a) plan were amended to reduce the percentage of employee compensation contributed by the Hospital to the qualified defined benefit pension and to increase the percentage of employee compensation contributed by the Hospital to the 401(a) plan for plan years commencing after December 31, 2013. The amendment to the qualified defined benefit pension plan resulted in a decrease to the projected benefit obligation at September 30, 2013, of approximately $23.9 million.

Y-NHH also provides certain health care and life insurance benefits upon retirement to substantially all its employees. Y-NHH's policy is to fund these annual costs as they are incurred from the general assets of Y-NHH. The estimated cost of these postretirement benefits is actuarially determined and accrued over the employees' service periods.

Included in unrestricted net assets at September 30, 2014 and 2013, are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service credit of $22.4 million and $23.8 million, respectively, and unrecognized actuarial losses of $162.0 million and $118.6 million, respectively. The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2015, are $2.0 million and $7.8 million, respectively.

8. Pensions and Postretirement Benefits (continued)

The following table sets forth the change in benefit obligation, change in plan assets, and the reconciliation of underfunded status of Y-NHH's defined benefit plans as of September 30, 2014 and 2013 (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 445,908	$ 475,473	$ 67,904	$ 79,630
Service cost	22,532	36,264	3,617	5,080
Interest cost	20,896	16,676	3,270	3,135
Plan amendments	–	(23,836)	(577)	–
Actuarial loss (gain)	37,881	(38,302)	5,413	(18,428)
Benefits paid	(24,506)	(20,367)	(1,491)	(1,513)
Benefit obligation at current measurement date	502,711	445,908	78,136	67,904
Change in plan assets:				
Fair value of assets at prior measurement date	313,730	271,952	–	–
Actual return on plan assets	19,950	19,906	–	–
Employer contributions	38,064	42,239	1,491	1,513
Benefits paid	(24,506)	(20,367)	(1,491)	(1,513)
Fair value of assets at current measurement date	347,238	313,730	–	–
Accrued benefit cost	$ (155,473)	$ (132,178)	$ (78,136)	$ (67,904)

Benefit Obligation and Assumptions

The actuarial loss in 2014 primarily relates to changes in the discount rate and mortality table used to measure the benefit obligation and the actuarial gain in 2013 primarily relates to changes in the discount rate.

8. Pensions and Postretirement Benefits (continued)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the defined benefit plans were as follows (in thousands):

	2014	2013
Projected benefit obligation	$ **(502,711)**	$ (445,908)
Accumulated benefit obligation	**(428,547)**	(380,566)
Fair value of plan assets	**347,238**	313,730

At September 30, 2014 and 2013, the underfunded status of the qualified defined benefit pension plan was approximately $107.6 million and $87.9 million, respectively, and that of the non-qualified defined benefit pension plan was approximately $47.9 million and $44.3 million, respectively. Additionally, there are assets limited as to use of approximately $77.9 million and $69.4 million, which are available to satisfy the obligations of the non-qualified defined benefit pension plan at September 30, 2014 and 2013, respectively.

The net periodic benefit cost for the years ended September 30, 2014 and 2013, is as follows (in thousands):

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	2013	2014	2013
Service cost	$ **22,532**	$ 36,264	$ **3,617**	$ 5,080
Interest cost	**20,896**	16,676	**3,270**	3,135
Expected return on plan assets	**(25,377)**	(21,932)	–	–
Amortization of prior service cost	**(2,035)**	(293)	**86**	85
Recognized net actuarial loss	**5,294**	9,619	–	703
Net periodic benefit cost	$ **21,310**	$ 40,334	$ **6,973**	$ 9,003

8. Pensions and Postretirement Benefits (continued)

Weighted-average assumptions and dates used to determine benefit obligations at September 30, 2014 and 2013 are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	**2013**	**2014**	**2013**
Discount rate for determining benefit obligations at year-end, qualified plan	**4.20%**	4.80%	**4.40%**	4.90%
Discount rate for determining benefit obligations at year end, non-qualified plan	**4.40**	4.90	–	–
Rate of compensation increase	**5.00**	5.00	–	–

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2014 and 2013, are as follows:

	Defined Benefit Pension Plans		Postretirement Benefits Plan	
	2014	**2013**	**2014**	**2013**
Discount rate for determining net periodic benefit cost at year-end, qualified plan	**4.80%**	3.60%	**4.90%**	4.00%
Discount rate for determining net periodic benefit cost at year end, non-qualified plan	**4.90**	4.00	–	–
Expected rate of return on plan assets	**7.75**	7.75	–	–
Rate of compensation increase	**5.00**	5.00	–	–

For measurement purposes relating to the postretirement benefits plan, a 5.0% and 6.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for fiscal 2014 and fiscal 2013, respectively. Rates are assumed to decline to 4.9% through fiscal 2015.

8. Pensions and Postretirement Benefits (continued)

Assumed health care cost trend rate assumptions have a significant effect on the amounts reported. A 1% change in the assumed healthcare cost trend rate would have the following effects (in thousands):

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 14	$ (17)
Effect on postretirement benefit obligation	325	(368)

The asset allocation of Y-NHH's qualified pension plan at September 30, 2014 and 2013, was as follows:

	Target Allocation	Percentage of Plan Assets	
Asset Category	2015	2014	2013
Equity securities	38%	39%	41%
Debt securities	21	18	24
Real assets	10	5	12
All other assets	31	38	23
Total	100%	100%	100%

8. Pensions and Postretirement Benefits (continued)

Pension assets carried at fair value, as of September 30, 2014 and 2013, are classified in the following tables (see FootNote 14 for description) (in thousands):

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 14,428	$ –	$ –	$ 14,428
U.S. equity securities	59,995	–	–	59,995
International equity securities	73,808	–	–	73,808
Fixed income:				
U.S. government	42,900	–	–	42,900
International government	20,607	9,489	–	30,096
Commodities	12,667	–	10,842	23,509
Private equity	–	–	3,417	3,417
Hedge funds:				
Multi strategy/other	–	341	–	341
Long/short equity	–	55,681	23,619	79,300
Real estate	–	–	19,444	19,444
Total investments	$ 224,405	$ 65,511	$ 57,322	$ 347,238

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 11,839	$ –	$ –	$ 11,839
U.S. equity securities	58,636	–	–	58,636
International equity securities	68,604	–	–	68,604
Fixed income:				
U.S. government	48,655	–	–	48,655
International government	17,426	8,297	–	25,723
Commodities	13,396	–	6,227	19,623
Private equity	–	–	1,143	1,143
Hedge funds:				
Multi strategy/other	–	44,905	–	44,905
Long/short equity	–	16,539	–	16,539
Real estate	–	–	18,063	18,063
Total investments	$ 218,556	$ 69,741	$ 25,433	$ 313,730

8. Pensions and Postretirement Benefits (continued)

The following is a rollforward of the pension assets classified as Level 3 of the valuation hierarchy as described in Note 15:

	Commodities	Private Equity	Real Estate	Hedge Funds	Total
Fair value at September 30, 2012	$ 6,127	$ 509	$ 16,784	$ –	$ 23,420
2013 realized and unrealized gains and losses	(160)	(7)	1,058	–	891
2013 purchases	748	688	2,334	–	3,770
2013 sales	(488)	(47)	(2,113)	–	(2,648)
Fair value at September 30, 2013	6,227	1,143	18,063	–	25,433
2014 realized and unrealized gains	**1,536**	**217**	**1,461**	**619**	**3,833**
2014 purchases	**3,963**	**2,149**	**2,932**	**23,000**	**32,044**
2014 sales	**(884)**	**(92)**	**(3,012)**	**–**	**(3,988)**
Fair value at September 30, 2014	**$ 10,842**	**$ 3,417**	**$ 19,444**	**$ 23,619**	**$ 57,322**

Y-NHH's investment strategy for its pension assets balances the liquidity needs of the pension plan with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term, while ensuring security of principal to meet near-term expenses and obligations through the fixed income allocation. The allocation of the investment pool to various sectors of the markets is designed to reduce volatility in the portfolio. Y-NHH's pension portfolio return assumption of 7.75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses. The actual return on assets of the pension plan was 7.4% for the years ended September 30, 2014 and 2013.

8. Pensions and Postretirement Benefits (continued)

The future cash flows of Y-NHH relative to retirement benefits are expected to be as follows (in thousands):

	Defined Benefit Pension Plans	Postretirement Benefits Plan
Estimated benefit payments related to years ending September 30:		
2015	$ 26,684	$ 2,088
2016	26,260	2,400
2017	28,075	2,640
2018	30,573	2,914
2019	31,788	3,231
2020 to 2024	187,937	22,055

Y-NHH expects to contribute approximately $40.0 million for pension benefits and $2.1 million for postretirement benefits payments in fiscal 2015.

9. Professional Liability Insurance

In 1978, the Hospital and a number of other academic medical centers formed the Medical Centre Insurance Company, Ltd (the Captive) to insure for professional and comprehensive general liability risks. In 1997, the Captive formed MCIC Vermont, Inc. to write direct insurance for the professional and general liability risks of the shareholders. Since 1997, the Captive has acted as a reinsurer for varying levels of per claim limit exposure. MCIC Vermont, Inc. has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage and are actuarially determined based on actual experience of the Hospital, the Captive and MCIC Vermont, Inc.

In fiscal 1998, the Hospital entered into a purchase and sales management agreement with YNHHSC that transferred the Hospital's participation in the Captive to YNHHSC for its book value as calculated by the Captive. Under the terms of the agreement, the Hospital retains certain elements of control and assumes limited risk associated with the ongoing operation of the Captive. The Hospital pays insurance premiums to YNHHSC.

9. Professional Liability Insurance (continued)

Additionally, because the purchase and sales management agreement entered into with YNHHSC in 1998 meet criteria for deposit accounting, the Hospital recorded an actuarially determined liability for IBNR professional and general liabilities with an offsetting deposit (asset) of an equal amount (approximately $11.8 million).

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $105.2 million and $111.2 million at September 30, 2014 and 2013, respectively for the Hospital. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $40.6 million and $33.3 million for the Hospital at September 30, 2014 and 2013, respectively, and is included in professional insurance liabilities in the accompanying consolidated statements of financial position at the actuarially determined present value of approximately $36.8 million and $29.9 million, respectively, based on a discount rate 2.5% for the years ended September 30, 2014 and 2013, respectively.

The Hospital has recorded related insurance recoveries receivable of approximately $68.4 million and $81.3 million at September 30, 2014 and 2013, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

Lukan, the Hospital sponsored professional liability program, continues to manage all incidents and claims reported to Lukan prior to the 2012 acquisition of the Saint Raphael Healthcare System Inc. (SRHS), as well as extending professional liability coverage for post acquisition risks to certain affiliated community clinicians.

Prior to the acquisition of SRHS, Caritas provided excess professional liability and general liability insurance to SRHS and their employed clinicians. Caritas continues to manage all incidents and claims reported prior to the acquisition of SRHS.

Caritas and Lukan have recorded the undiscounted estimate for claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated of approximately $29.6 million and $38.7 million at September 30, 2014 and 2013, respectively, and are included in professional liabilities in the accompanying consolidated statements of financial position.

9. Professional Liability Insurance (continued)

The estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for Y-NHH and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

10. Commitments and Contingencies

Leases

YNHH leases certain office, clinical and parking spaces under non-cancelable operating leases that range in terms ending in 2015 through 2039. Future minimum lease payments under these leases are as follows (in thousands):

2015	$ 18,589
2016	16,049
2017	14,697
2018	14,200
2019	11,988
Thereafter	95,631
	$ 171,154

Y-NHH incurred net rent expense under these leases of approximately $18.7 million for the year ended September 30, 2014, and $16.6 million for the year ended 2013.

Cancer Hospital

The Hospital has a shared facilities and services agreement with the University in connection with the Cancer Hospital which is recorded as deferred revenue. Deferred revenue, from this agreement, at September 30, 2014 and 2013, was $44.0 million and $45.2 million, respectively.

10. Commitments and Contingencies (continued)

Inpatient Rehabilitation Unit Agreement

During September 2014, the Hospital entered into an agreement with another health care provider to provide a framework for implementing programs in a manner that is consistent with the charitable mission of each organization and the communities they serve. Under the terms of the agreement the Hospital will utilize beds at the health care provider's location under a lease arrangement to provide inpatient rehabilitation services to its patients and will furnish an $8.0 million term loan.

Litigation

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. Such lawsuits and claims are either specifically covered by insurance as explained in Note 9 or are deemed to be immaterial. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or changes in net assets of the Hospital.

The Hospital has received requests for information from certain governmental agencies relating to, among other things, patient billings. These requests cover several prior years relating to compliance with certain laws and regulations. Management is cooperating with those governmental agencies in their information requests and ongoing investigations. The ultimate results of those investigations, including the impact on the Hospital, cannot be determined at this time.

11. Functional Expenses

The Hospital provides general acute health care services to residents within its geographic area. Net expenses related to providing these services are as follows (in thousands):

	Year Ended September 30	
	2014	**2013**
Health care services	**$ 1,796,828**	$ 1,972,849
General and administrative	**506,797**	294,793
	$ 2,303,625	$ 2,267,642

12. Related-Party Transactions

The Hospital provided facility space and certain services to related parties as follows (in thousands):

	Year Ended September 30	
	2014	2013
Recovery of expenses:		
YNHHSC:		
Facility rental	$ 3,066	$ 3,028
Shared services	2	–
	$ 3,068	$ 3,028
Bridgeport Hospital:		
Resident fees	$ 2,477	$ 1,977
Other	999	753
	$ 3,476	$ 2,730

YNHHSC is the sole member Bridgeport Hospital.

The Hospital purchased certain services from YNHHSC as follows (in thousands):

	Year Ended September 30	
	2014	2013
Operating expenses:		
Professional and general liability insurance	$ 26,887	$ 26,928
Information systems	62,472	44,896
System business office	31,189	23,518
Other business services	99,886	88,409
	$ 220,434	$ 183,751

12. Related-Party Transactions (continued)

Amounts receivable from and payable to related organizations included in other receivables, accounts payable and other long-term liabilities, respectively, in the consolidated balance sheets are as follows (in thousands):

	September 30	
	2014	**2013**
Other receivables:		
YNHHSC	**$ 5,875**	$ 6,226
Greenwich Hospital	**–**	809
Northeast Medical Group, Inc.	**–**	548
	$ 5,875	$ 7,583
Accounts payable:		
YNHHSC	**$ 41,038**	$ 36,761
Bridgeport Hospital	**890**	837
Northeast Medical Group, Inc.	**2,610**	–
Greenwich Hospital	**85**	–
Other long-term liabilities:		
YNHHSC	**52,486**	48,307
	$ 97,109	$ 85,905

The Hospital maintains certain investments for YNHHSC employees that participate in YNHH's sponsored benefit plans. The costs associated with the YNHHSC employees that participate in benefit plans are recovered by the Hospital.

The Hospital funds certain capital assets purchased by YNHHSC. Included in prepaid expenses and other assets were approximately $30.3 million and $72.2 million, respectively, at September 30, 2014, and approximately $28.4 million and $85.2 million, respectively, at September 30, 2013.

Additionally, for the years ended September 30, 2014 and 2013, the Hospital funded YNHHSC approximately $2.1 million and $6.0 million, respectively, as part of its participation in the New Clinical Program Development Corporation (NCPDC). The NCPDC was established for the purpose of funding and supporting clinical research and clinical programs. The NCPDC Board approves the funding of initiatives.

12. Related-Party Transactions (continued)

Included in the consolidated statement of changes in net assets are amounts funded by the Hospital for physician related strategic mission support for NEMG of approximately $14.0 million and $11.8 million for the years ended September 30, 2014 and 2013, respectively.

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30	
	2014	**2013**
Cafeteria and vending	**$ 10,605**	$ 10,564
Contributions	**5,495**	3,924
Parking income	**6,485**	6,507
Net assets released from restrictions for operations	**3,099**	2,822
Net assets released from restrictions for free care	**613**	779
Net assets released from restrictions for medical research and clinical programs	**5,269**	9,498
Grants	**13,574**	13,051
Rental income	**1,704**	1,649
Electronic health records incentive payment	**3,037**	4,210
Other	**10,571**	7,716
	$ 60,453	$ 60,720

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

13. Other Revenue (continued)

The Hospital uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the Hospital is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. Medicare EHR incentive payment revenue was approximately $2.0 million and $2.6 million, respectively, and Medicaid EHR incentive payment revenue was approximately $1.0 million and $1.6 million, respectively, for the years ended September 30, 2014 and 2013. EHR incentive payment revenue is included in other revenue in the accompanying consolidated statement of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains (Losses)

Non-operating gains and losses, net consisted of the following (in thousands):

	Year Ended September 30	
	2014	**2013**
Income from investments, donations and other, net	**$ 3,162**	$ 7,670
Discontinued operations	**–**	(1,844)
Income attributable to non-controlling interest	**(2,320)**	(2,750)
Change in unrealized gains and losses on investments	**75,949**	50,283
Change in fair value of swaps, including counterparty payments	**(16,357)**	16,586
Loss on refunding of long-term debt	**(32,631)**	–
	$ 27,803	$ 69,945

14. Non-Operating Gains (Losses) (continued)

Contributions received consisted of the following (in thousands):

	Year Ended September 30	
	2014	**2013**
Unrestricted	**$ 840**	$ 902
Temporarily restricted	**12,827**	21,877
Permanently restricted	**3,492**	–
Total contributions	**17,159**	22,779
Less: fundraising expenses	**(4,704)**	(4,230)
Contributions, net	**$ 12,455**	$ 18,549

15. Fair Value Measurements

In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Hospital also considers nonperformance risk in the overall assessment of fair value.

ASC 820-10, *Fair Value Measurements and Disclosures,* establishes a three tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

- Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.
- Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.
- Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

15. Fair Value Measurements (continued)

Financial assets carried at fair value as of September 30, 2014, are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 69,250	$ –	$ –	$ 69,250
Money market funds	129,823	–	–	129,823
U.S. equity securities	47,912	–	–	47,912
International equity securities	70,671	–	–	70,671
Fixed income:				
U.S. government	120,702	–	–	120,702
International government	46,833	30,873	–	77,706
Interest in Yale University endowment pool	–	–	685,862	685,862
Investments at fair value	$ 485,191	$ 30,873	$ 685,682	1,201,926
Common collective trusts				148,699
Alternative investments				20,054
Perpetual trusts				17,796
Investments not at fair value				186,549
Total investments				$ 1,388,475
Liabilities:				
Interest rate swaps	$ –	$ (32,316)	$ –	$ (32,316)

15. Fair Value Measurements (continued)

Financial assets carried at fair value as of September 30, 2013, are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 46,312	$ –	$ –	$ 46,312
Money market funds	123,249	–	–	123,249
U.S. equity securities	43,594	–	–	43,594
International equity securities	64,313	–	–	64,313
Fixed income:				
U.S. government	80,472	–	–	80,472
International government	38,789	25,171	–	63,960
Interest in Yale University endowment pool	–	–	511,719	511,719
Investments at fair value	$ 396,729	$ 25,171	$ 511,719	933,619
Common collective trusts				95,892
Alternative investments				19,369
Perpetual trusts				12,538
Investments not at fair value				127,799
Total investments				$ 1,061,418
Liabilities:				
Interest rate swaps	$ –	$ (22,323)	$ –	$ (22,323)

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy:

Interest in Yale University Endowment Pool:	
Fair value at September 30, 2012	$ 361,550
2013 Unrealized gains	50,169
2013 Purchases	100,000
Fair value at September 30, 2013	511,719
2014 Unrealized gains	**74,143**
2014 Purchases	**100,000**
Fair value at September 30, 2014	**$ 685,862**

15. Fair Value Measurements (continued)

The fair value of debt was approximately $808.5 million and $674.6 million at September 30, 2014 and 2013, respectively. The fair value of the capital leases was approximately $54.5 million and $55.5 million at September 30, 2014 and 2013, respectively. The fair value of long-term debt is classified as Level 2 in the fair value hierarchy as it uses a combination of quoted market prices and valuation based on current market rates.

The amounts reported in the table as detailed above do not include assets invested in the Hospital's defined benefit pension plan (see Note 8). In addition, included in the table above are investments at September 30, 2014 and 2013, in common collective trusts totaling approximately $148.7 million and $95.9 million, respectively, other alternative investments totaling approximately $20.0 million and $19.4 million, respectively, and perpetual trusts totaling approximately $17.8 million and $12.5 million, respectively, that are accounted for under the equity method of accounting (see Note 1). The interest rate swaps listed above are classified in the accompanying balance sheets as other long-term liabilities at September 30, 2014 and 2013.

The following is a summary of total investments as of September 30, 2014, with restrictions to redeem the investments at the measurement date, any unfunded capital commitments and investment strategies of the investees (in thousands):

Description of Investment	Carrying Value	Unfunded Commitment	Redemption Frequency	Notice Period	Funds Availability
Real estate	$ 9,628	$ 2,526	N/A	N/A	N/A
Commodities	121	–	N/A	N/A	N/A

16. Subsequent Events

In October 2014, the Hospital disposed of its interest in the Captives through a novation agreement with Medical Centre Insurance Company, Ltd (MCIC) for a total price of approximately $40.2 million. The novation agreement assigns and transfers all of the Captives' past, present and future rights, risks, liabilities and obligations, and transfers substantially all of the assets of the Captives to MCIC. The Hospital will dissolve the Captives during fiscal year 2015.

Subsequent events have been evaluated through December 23, 2014, which is the date the consolidated financial statements were available to be issued. No events, except as noted above, have occurred that require disclosure or adjustment of the consolidated financial statements.

Supplementary Information

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Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Trustees
Yale-New Haven Hospital and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Yale-New Haven Hospital and Subsidiaries as of and for the year ended September 30, 2014, and have issued an unmodified report thereon dated December 23, 2014. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statement as a whole.

Ernst + Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Yale-New Haven Hospital and Subsidiaries

Consolidating Balance Sheet
(In Thousands)

September 30, 2014

	Hospital	Lukan	Caritas	York	ASC	YNHCCC	Eliminations	Total
Assets								
Current assets:								
Cash and cash equivalents	$ 20,955	$ 28,917	$ 15,493	$ 3,163	$ 689	$ 33	$ –	$ 69,250
Short-term investments	926,009	5	10	–	–	–	–	926,024
Accounts receivable for services to patients, net	259,581	–	–	869	1,285	2,936	–	264,671
Other receivables	33,789	44	–	673	3,964	–	(4,699)	33,771
Professional liabilities insurance recoveries receivable – current portion	18,968	–	–	–	–	–	–	18,968
Other current assets	68,883	6	–	1,246	2,462	–	–	72,597
Amounts on deposit with trustee in debt service fund	4,394	–	–	–	–	–	–	4,394
Total current assets	1,332,579	28,972	15,503	5,951	8,400	2,969	(4,699)	1,389,675
Assets limited as to use	124,869	–	–	–	–	–	–	124,869
Long-term investments	263,938	–	–	–	–	–	–	263,938
Deferred financing costs, less accumulated amortization	9,285	–	–	–	–	–	–	9,285
Professional liabilities insurance recoveries receivable – non-current portion	49,433	–	–	–	–	–	–	49,433
Goodwill	44,818	–	–	–	–	–	–	44,818
Other assets	201,392	–	661	938	9,367	726	(40,261)	172,823
Property, plant and equipment:								
Land and land improvements	38,391	–	–	2,337	–	1,580	–	42,308
Buildings and fixtures	1,129,407	–	–	14,860	4,590	2,841	–	1,151,698
Equipment	454,528	–	–	64	3,821	389	–	458,802
	1,622,326	–	–	17,261	8,411	4,810	–	1,652,808
Less accumulated depreciation	735,391	–	–	12,582	5,707	450	–	754,130
	886,935	–	–	4,679	2,704	4,360	–	898,678
Construction in progress	27,576	–	–	–	–	–	–	27,576
	914,511	–	–	4,679	2,704	4,360	–	926,254
Total assets	$ 2,940,825	$ 28,972	$ 16,164	$ 11,568	$ 20,471	$ 8,055	$ (44,960)	$ 2,981,095

DOHP2059

Yale-New Haven Hospital and Subsidiaries

Consolidating Balance Sheet (continued)

(In Thousands)

September 30, 2014

	Hospital	Lukan	Caritas	York	ASC	YNHCCC	Eliminations	Total
Liabilities and net assets (deficiency)								
Current liabilities:								
Accounts payable	$ 147,526	$ 190	$ 56	$ 4,684	$ 318	$ 5,736	$ (4,909)	$ 153,601
Accrued expenses	197,946	–	–	331	810	836	–	199,923
Professional liabilities – current portion	18,968	–	–	–	–	–	–	18,968
Other current liabilities	17,897	–	–	–	–	25	–	17,922
Current portion of capital lease obligation	1,829	–	–	1,134	–	–	–	2,963
Current portion of long term debt	7,626	–	–	–	–	–	–	7,626
Total current liabilities	391,792	190	56	6,149	1,128	6,597	(4,909)	401,003
Long-term debt, net of current portion	802,124	–	–	–	–	–	–	802,124
Long-term capital lease obligation, net of current portion	48,853	–	–	1,985	–	–	–	50,838
Accrued pension and postretirement benefit obligations	231,477	–	–	–	–	–	–	231,477
Professional liabilities	86,261	18,564	11,043	–	–	–	–	115,868
Other long-term liabilities	215,338	–	–	68	8,658	4,413	(12,600)	215,877
Deferred revenue	44,378	–	–	–	–	–	–	44,378
Total liabilities	1,820,223	18,754	11,099	8,202	9,786	11,010	(17,509)	1,861,565
Net assets (deficiency):								
Unrestricted	1,020,378	10,218	5,065	3,366	8,803	(2,955)	(27,451)	1,017,424
Temporarily restricted	64,318	–	–	–	–	–	–	64,318
Permanently restricted	35,906	–	–	–	–	–	–	35,906
Total Yale-New Haven Hospital & Subsidiaries net assets (deficiency)	1,120,602	10,218	5,065	3,366	8,803	(2,955)	(27,451)	1,117,648
Non-controlling interest	–	–	–	–	1,882	–	–	1,882
Total net assets (deficiency) including non-controlling interest	1,120,602	10,218	5,065	3,366	10,685	(2,955)	(27,451)	1,119,530
Total liabilities and net assets (deficiency)	$ 2,940,825	$ 28,972	$ 16,164	$ 11,568	$ 20,471	$ 8,055	$ (44,960)	$ 2,981,095

DOHP2060

Yale-New Haven Hospital and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets
(In Thousands)

Year Ended September 30, 2014

	YNHNC	Hospital	Lukan	Caritas	York	ASC	YNHCCC	Eliminations	Total
Operating revenue:									
Net patient service revenue	$ –	$ 2,410,117	$ –	$ –	$ 8,554	$ 18,067	$ 12,374	$ (129)	$ 2,448,983
Less: Provision for bad debts	–	(71,764)	–	–	–	(136)	(929)	–	(72,829)
Net patient service revenue, less provision for bad debts	–	2,338,353	–	–	8,554	17,931	11,445	(129)	2,376,154
Other revenue	–	63,551	1,166	356	1,737	1,240	46	(7,643)	60,453
Total operating revenue	–	2,401,904	1,166	356	10,291	19,171	11,491	(7,772)	2,436,607
Operating expenses:									
Salaries and benefits	–	1,034,645	–	–	876	5,864	9,361	–	1,050,746
Supplies and other expenses	–	1,071,619	–	–	8,220	6,726	3,431	6,594	1,096,590
Depreciation	–	122,543	–	–	705	520	244	–	124,012
Insurance	–	14,809	(4,021)	(950)	12	124	53	(1,752)	8,275
Interest	–	23,742	–	–	260	–	–	–	24,002
Total operating expenses	–	2,267,358	(4,021)	(950)	10,073	13,234	13,089	4,842	2,303,625
Income (loss) from operations	–	134,546	5,187	1,306	218	5,937	(1,598)	(12,614)	132,982
Nonoperating gains (losses), net:									
Income from investments, donations and other, net	–	79,144	238	(8)	(13)	(255)	–	5	79,111
Change in fair value of swap, including counterparty payments	–	(16,357)	–	–	–	–	–	–	(16,357)
Loss on refunding of long-term debt	–	(32,631)	–	–	–	–	–	–	(32,631)
Excess of revenue over expenses, before non-controlling interest	–	164,702	5,425	1,298	205	5,682	(1,598)	(12,609)	163,105
Less: Income attributable to non-controlling interest	–	–	–	–	–	(2,320)	–	–	(2,320)
Excess of revenue over expenses	–	164,702	5,425	1,298	205	3,362	(1,598)	(12,609)	160,785

DOHP2061

Yale-New Haven Hospital and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

Year Ended September 30, 2014

	YNHNC	Hospital	Lukan	Caritas	York	ASC	YNHCCC	Eliminations	Total
Unrestricted net assets:									
Excess (deficiency) of revenue over expenses (continued)	$ –	$ 164,702	$ 5,425	$ 1,298	$ 205	$ 3,362	$ (1,598)	$ (12,609)	$ 160,785
Other changes in net assets	–	135	–	–	–	–	–	–	135
Transfer (to) from YNH Network Corporation	(9,212)	9,212	–	–	–	–	–	–	–
Transfer to Yale-New Haven Health Services Corporation- Mission Support	–	(14,042)	–	–	–	–	–	–	(14,042)
Transfer from Yale-New Haven Health Services Corporation	–	(25,000)	–	–	–	–	–	–	(25,000)
Net assets released from restrictions for purchases of fixed assets	–	1,502	–	–	–	–	–	–	1,502
Pension and other postretirement liability adjustments	–	(44,799)	–	–	–	–	–	–	(44,799)
Increase (decrease) in unrestricted net assets	(9,212)	91,710	5,425	1,298	205	3,362	(1,598)	(12,609)	78,581
Temporarily restricted net assets:									
Income from investments	–	298	–	–	–	–	–	–	298
Net realized gains on investments	–	583	–	–	–	–	–	–	583
Change in net unrealized gains and losses on investments	–	6,481	–	–	–	–	–	–	6,481
Bequests and contributions	–	7,457	–	–	–	–	–	–	7,457
Net assets released from restrictions for purchases of fixed assets	–	(1,502)	–	–	–	–	–	–	(1,502)
Net assets released from restrictions for free care	–	(613)	–	–	–	–	–	–	(613)
Net assets released from restrictions for operations	–	(3,099)	–	–	–	–	–	–	(3,099)
Net assets released from restrictions for clinical programs	–	(5,269)	–	–	–	–	–	–	(5,269)
Increase in temporarily restricted net assets	–	4,336	–	–	–	–	–	–	4,336
Permanently restricted net assets:									
Bequests, contributions, and grants	–	3,492	–	–	–	–	–	–	3,492
Change in beneficial interest in perpetual trusts	–	5,259	–	–	–	–	–	–	5,259
Increase in permanently restricted net assets	–	8,751	–	–	–	–	–	–	8,751
Non-controlling interest									
Income attributable to non-controlling interest	–	(2,320)	–	–	–	2,320	–	2,320	2,320
Distributions to non-controlling interest	–	–	–	–	–	(2,821)	–	–	(2,821)
	–	(2,320)	–	–	–	(501)	–	2,320	(501)
(Decrease) increase in net assets	(9,212)	102,477	5,425	1,298	205	2,861	(1,598)	(10,289)	91,167
Net assets (deficiency) at beginning of year	9,212	1,018,125	4,793	3,767	3,161	7,824	(1,357)	(17,162)	1,028,363
Net assets (deficiency) at end of year	$ –	$ 1,107,515	$ 10,218	$ 5,065	$ 3,366	$ 10,685	$ (2,955)	$ (27,451)	$ 1,119,530

DOHP2062

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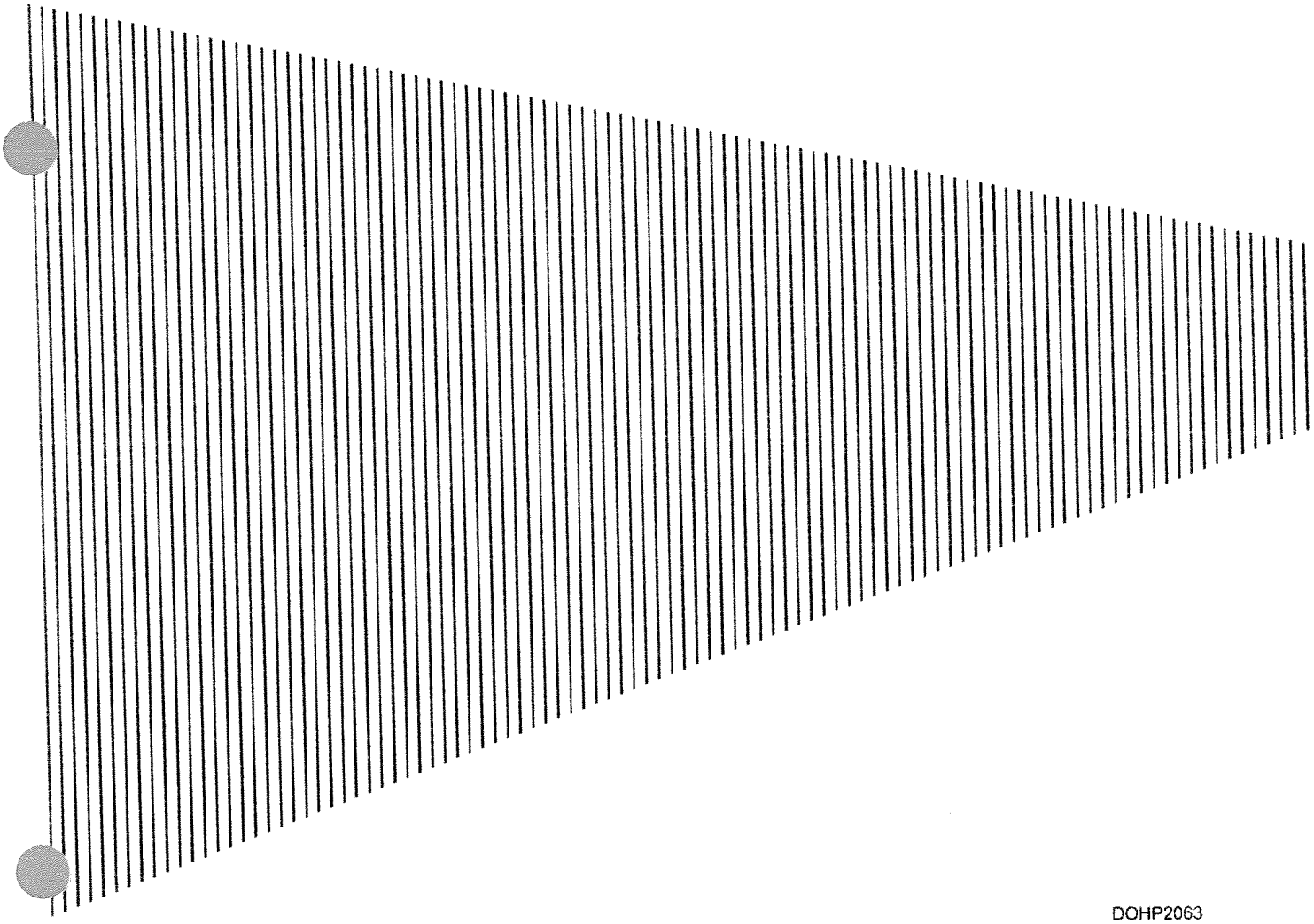

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Form **990-T**

Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning OCT 1, 2012 and ending SEP 30, 2013

OMB No. 1545-0687

2012

Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
YALE-NEW HAVEN HOSPITAL

Number, street, and room or suite no. If a P.O. box, see instructions.
20 YORK STREET

City or town, state, and ZIP code
NEW HAVEN, CT 06504

D Employer identification number (Employees' trust, see instructions.)
06-0646652

E Unrelated business activity codes (See instructions)
621500 524114

C Book value of all assets at end of year
2,658,309,743.

F Group exemption number (see instructions) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ SEE STATEMENT 1

H ☒ Yes ☐ No

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?

If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 4

J The books are in care of ▶ VINCENT TAMMARO Telephone number ▶ 203-688-2069

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances	c Balance ▶ 1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (see instructions; attach statement) STATEMENT 2	12	3,265,917.		3,265,917.
13	**Total.** Combine lines 3 through 12	13	3,265,917.		3,265,917.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)

(except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)	14		
15	Salaries and wages	15		
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach statement)	18		
19	Taxes and licenses	19		
20	Charitable contributions (see instructions for limitation rules)	20		
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25		
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach statement) SEE STATEMENT 3	28	1,498,924.	
29	**Total deductions.** Add lines 14 through 28	29	1,498,924.	
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	1,766,993.	
31	Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 5	31	1,766,993.	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	0.	
33	Specific deduction (generally $1,000, but see instructions for exceptions)	33	1,000.	
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	0.	

Part III Tax Computation

35	Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ [X] See instructions and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ 0. (2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 ▶	35c	0.
36	Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	Proxy tax (see instructions) ▶	37	
38	Alternative minimum tax	38	28,650.
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	28,650.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	Total credits. Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	28,650.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach statement)			42	
43	Total tax. Add lines 41 and 42			43	28,650.
44a	Payments: A 2011 overpayment credited to 2012	44a			
b	2012 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	Total payments. Add lines 44a through 44g			45	
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	665.
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	29,315.
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	
49	Enter the amount of line 48 you want: Credited to 2013 estimated tax ▶ Refunded ▶			49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (att. statement)	4a					
b	Other costs (attach statement)	4b					
5	Total. Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | ▶ CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name: Christopher B. Boggs	Preparer's signature: Christopher B. Boggs	Date: 08/05/14	Check [ ] if self-employed; PTIN: P00032493
Firm's name ▶ ERNST & YOUNG U.S., LLP			Firm's EIN ▶ 34-6565596
Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN .			Phone no. 317-681-7000

Form 990-T (2012)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation (attach statement)	3. Deductions directly connected with or allocable to debt-financed property (b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations				
7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

Form **4626**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 4626 and its separate instructions is at www.irs.gov/form4626.

OMB No. 1545-0175

2012

Name: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction		1	1,765,993.
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	1,765,993.
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 1,765,993.		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b: 0.		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** You **must** enter an amount on line 4d (even if line 4b is positive)	4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	1,765,993.
6	Alternative tax net operating loss deduction (see instructions) STATEMENT 6		6	1,589,394.
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	176,599.
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a: 26,599.		
b	Multiply line 8a by 25% (.25)	8b: 6,650.		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	33,350.
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	143,249.
10	Multiply line 9 by 20% (.20)		10	28,650.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	
12	Tentative minimum tax. Subtract line 11 from line 10		12	28,650.
13	Regular tax liability before applying all credits except the foreign tax credit		13	
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	28,650.

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	1,765,993.
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		
b	ACE depreciation:			
	(1) Post-1993 property	2b(1)		
	(2) Post-1989, pre-1994 property	2b(2)		
	(3) Pre-1990 MACRS property	2b(3)		
	(4) Pre-1990 original ACRS property	2b(4)		
	(5) Property described in sections 168(f)(1) through (4)	2b(5)		
	(6) Other property	2b(6)		
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	1,765,993.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

LABORATORY DROP-OFF SERVICE
MALPRACTICE INSURANCE

TO FORM 990-T, PAGE 1

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
LABORATORY SERVICES	1,227,409.
MALPRACTICE INSURANCE	2,038,508.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	3,265,917.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
DIRECT EXPENSES	915,749.
INDIRECT EXPENSE	583,175.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	1,498,924.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 4

CORPORATION'S NAME	IDENTIFYING NO
YNH NETWORK CORPORATION	06-1513687

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 5

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/02	264,078.	0.	264,078.	264,078.
09/30/03	358,483.	0.	358,483.	358,483.
09/30/04	497,299.	0.	497,299.	497,299.
09/30/05	499,149.	0.	499,149.	499,149.
09/30/06	533,771.	0.	533,771.	533,771.
09/30/07	282,822.	0.	282,822.	282,822.
09/30/08	317,233.	0.	317,233.	317,233.
09/30/09	674,948.	0.	674,948.	674,948.
09/30/10	2,211,548.	0.	2,211,548.	2,211,548.
09/30/11	794,538.	0.	794,538.	794,538.
09/30/12	391,751.	0.	391,751.	391,751.
NOL CARRYOVER AVAILABLE THIS YEAR			6,825,620.	6,825,620.

FORM 4626 ALTERNATIVE MINIMUM TAX NOL DEDUCTION STATEMENT 6

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
09/30/02	264,078.	0.	264,078.
09/30/03	358,483.	0.	358,483.
09/30/04	497,299.	0.	497,299.
09/30/05	499,149.	0.	499,149.
09/30/06	533,771.	0.	533,771.
09/30/07	282,822.	0.	282,822.
09/30/08	317,233.	0.	317,233.
09/30/09	674,948.	0.	674,948.
09/30/10	2,211,548.	0.	2,211,548.
09/30/11	794,538.	0.	794,538.
09/30/12	391,751.	0.	391,751.
AMT NOL CARRYOVER AVAILABLE THIS YEAR			6,825,620.

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ Attach to the corporation's tax return. FORM 990-T

▶ Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

OMB No. 1545-0142

2012

Name
YALE-NEW HAVEN HOSPITAL

Employer identification number
06-0646652

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)		1	28,650.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for federal tax paid on fuels (see instructions)	2c		
d **Total.** Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty		3	28,650.
4 Enter the tax shown on the corporation's 2011 income tax return (see instructions). **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5**		4	
5 **Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	28,650.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6 ☐ The corporation is using the adjusted seasonal installment method.

7 ☐ The corporation is using the annualized income installment method.

8 ☐ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 **Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (**Form 990-PF filers:** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	01/15/13	03/15/13	06/15/13	09/15/13
10 **Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	7,163.	7,162.	7,163.	7,162.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11				
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				
13 Add lines 11 and 12	13				
14 Add amounts on lines 16 and 17 of the preceding column	14		7,163.	14,325.	21,488.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	0.	0.	0.	0.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		7,163.	14,325.	
17 **Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	7,163.	7,162.	7,163.	7,162.
18 **Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). **(Form 990-PF and Form 990-T filers:** Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2012 and before 7/1/2012	21				
22 Underpayment on line 17 x Number of days on line 21 / 366 x 3%	22	$	$	$	$
23 Number of days on line 20 after 06/30/2012 and before 10/1/2012	23				
24 Underpayment on line 17 x Number of days on line 23 / 366 x 3%	24	$	$	$	$
25 Number of days on line 20 after 9/30/2012 and before 1/1/2013	25				
26 Underpayment on line 17 x Number of days on line 25 / 366 x 3%	26	$	$	$	$
27 Number of days on line 20 after 12/31/2012 and before 4/1/2013	27	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x Number of days on line 27 / 365 x 3%	28	$	$	$	$
29 Number of days on line 20 after 3/31/2013 and before 7/1/2013	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30	$	$	$	$
31 Number of days on line 20 after 6/30/2013 and before 10/01/2013	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32	$	$	$	$
33 Number of days on line 20 after 9/30/2013 and before 1/1/2014	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34	$	$	$	$
35 Number of days on line 20 after 12/31/2013 and before 2/16/2014	35				
36 Underpayment on line 17 x Number of days on line 35 / 365 x *%	36	$	$	$	$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	$	$	$	$

38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns ..... 38 $ 665.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov**. You can also call 1-800-829-4933 to get interest rate information.

FORM 990-T
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s)	Identifying Number
YALE-NEW HAVEN HOSPITAL	06-0646652

(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-C-			
01/15/13	7,163.	7,163.	59	.000082192	35.
03/15/13	7,162.	14,325.	92	.000082192	108.
06/15/13	7,163.	21,488.	92	.000082192	162.
09/15/13	7,162.	28,650.	153	.000082192	360.

Penalty Due (Sum of Column F) ..... 665.

* Date of estimated tax payment, withholding credit date or installment due date.

G:\Tax\Administration\Controlled Election\2013\Hsc Controlled Election\9302013\Hsc Controlled Election\9302013

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Network Corporation
Address: 789 Howard Avenue, New Haven, CT 06519
Taxable year ended: September 30, 2013
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets				Section 55(d) AMT Exemption		Section 38 (c)(3)(B) General Business Credit Limitation	Section 179	Section 535(c) Accumulated Earnings Credit	Section 6655 (g)(2)(A) Large Corporation Income
				15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2529404	Ogden, UT	9/30/2013	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	06-1526542	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOH2075

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/4/14
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	Treasurer	5/6/14
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/4/14
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/4/14
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Treasurer	5/4/14
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	6/3/14
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	6/3/14
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene Colucci	SVP, CFO	5/28/14
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	Frank Corvino	President and CEO	5/29/14

DOHP2076

Form **5471**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ For more information about Form 5471, see www.irs.gov/form5471.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning OCT 1 , 2012, and ending SEP 30, 2013

OMB No. 1545-0704

Attachment Sequence No. **121**

Name of person filing this return	A Identifying number
YALE-NEW HAVEN HOSPITAL	06-0646652
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)	B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒
20 YORK STREET	
City or town, state, and ZIP code	C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %
NEW HAVEN, CT 06504	

Filer's tax year beginning OCT 1 , 2012 , and ending SEP 30 , 2013

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
YALE NEW HAVEN HOSPI	20 YORK STREET NEW HAVEN CT 0	06-0646552	X		

Important: *Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
LUKAN INDEMNITY COMPANY LTD
58 PAR LA VILLE RD
HAMILTON FC HM 11
BERMUDA

b(1) Employer identification number, if any: 98-1072793

b(2) Reference ID number (see instructions):

c Country under whose laws incorporated: BERMUDA

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
10/07/92	HAMILTON BERMUDA	524140	INSURANCE	U.S.,DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter: (i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
	0.	0.

c Name and address of foreign corporation's statutory or resident agent in country of incorporation

WILLIS MANAGEMENT LIMITED
THE WILLIS BUILDING 3RD FL
HAMILTON, HM 11
BERMUDA

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding (i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	1,200	1,200

Schedule B U.S. Shareholders of Foreign Corporation

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
YALE-NEW HAVEN HOSPITAL 20 YORK STREET NEW HAVEN CT 06504 060646652	COMMON	1,200	1,200	100.00%

Schedule C Income Statement

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

			Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a		2,111,425.
	b Returns and allowances	1b		
	c Subtract line 1b from line 1a	1c		2,111,425.
	2 Cost of goods sold	2		
	3 Gross profit (subtract line 2 from line 1c)	3		2,111,425.
	4 Dividends	4		
	5 Interest	5		
	6a Gross rents	6a		
	b Gross royalties and license fees	6b		
	7 Net gain or (loss) on sale of capital assets	7		
	8 Other income (attach statement) SEE STATEMENT 7	8		393,306.
	9 Total income (add lines 3 through 8)	9		2,504,731.
Deductions	10 Compensation not deducted elsewhere	10		
	11a Rents	11a		
	b Royalties and license fees	11b		
	12 Interest	12		
	13 Depreciation not deducted elsewhere	13		
	14 Depletion	14		
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16 Other deductions (attach statement - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 8	16		1,270,259.
	17 Total deductions (add lines 10 through 16)	17		1,270,259.
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		1,234,472.
	19 Extraordinary items and prior period adjustments	19		
	20 Provision for income, war profits, and excess profits taxes	20		
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		1,234,472.

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			
2	NONE			0.
3				
4				
5				
6				
7				
8	Total ▶			

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	26,670,308.	24,196,072.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach statement)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach statement)	6		
7 Other investments (attach statement) SEE STATEMENT 9	7	7,292,141.	6,766,150.
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	( )	( )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach statement) SEE STATEMENT 10	12	402,216.	79,368.
13 Total assets	13	34,364,665.	31,041,590.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	84,557.	73,555.
15 Other current liabilities (attach statement) SEE STATEMENT 11	15	30,197,201.	26,103,618.
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach statement) SEE STATEMENT 12	17		73,028.
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	120,000.	120,000.
19 Paid-in or capital surplus (attach reconciliation)	19	3,962,907.	4,671,389.
20 Retained earnings	20		
21 Less cost of treasury stock	21	( )	( )
22 Total liabilities and shareholders' equity	22	34,364,665.	31,041,590.

Form **5471** (Rev. 12-2012)

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required statement.	☐	☒
2	During the tax year, did the foreign corporation own an interest in any trust?	☐	☒
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).	☐	☒
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?	☐	☒
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?	☐	☒
6	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).	☐	☒
7	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?	☐	☒
8	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?	☐	☒

Schedule H Current Earnings and Profits

Important: *Enter the amounts on lines 1 through 5c in functional currency.*

		Net Additions	Net Subtractions		
1	Current year net income or (loss) per foreign books of account			1	1,234,472.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):				
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach statement)				
3	Total net additions				
4	Total net subtractions				
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	1,234,472.
b	DASTM gain or (loss) for foreign corporations that use DASTM			5b	
c	Combine lines 5a and 5b			5c	1,234,472.
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations)			5d	1,234,472.

Enter exchange rate used for line 5d ▶ 1.000000

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item D on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This schedule I is being completed for:

Name of U.S. shareholder ▶ YALE-NEW HAVEN HOSPITAL Identifying number ▶ 06-0646652

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?	☐	☒
• Did any such income become unblocked during the tax year (see section 964(b))?	☐	☒

If the answer to either question is "Yes," attach an explanation.

FORM 5471 OTHER INCOME STATEMENT 7

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
INVESTMENT INCOME			393,306.
TOTAL TO 5471, SCHEDULE C, LINE 8			393,306.

FORM 5471 OTHER DEDUCTIONS STATEMENT 8

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
NET LOSS INCURRED, IBNR, OSLR			932,685.
GENERAL AND ADMINISTRATIVE EXPENSES			337,574.
TOTAL TO 5471, SCHEDULE C, LINE 16			1,270,259.

FORM 5471 OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
BONDS	7,292,141.	6,766,150.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 7	7,292,141.	6,766,150.

FORM 5471 OTHER ASSETS STATEMENT 10

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENT IN/ADVANCES TO AFFILIATES	383,595.	
OTHER ASSETS	18,621.	79,368.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 12	402,216.	79,368.

FORM 5471 OTHER CURRENT LIABILITIES STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
LOSS AND LOSS PROVISION	29,802,664.	26,048,440.
INSURANCE AND REINSURANCE PAYABLE	394,537.	55,178.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 15	30,197,201.	26,103,618.

FORM 5471 OTHER LIABILITIES STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
DUE TO AFFILIATES	0.	73,028.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	0.	73,028.

Foreign Corporation LUKAN INDEMNITY COMPANY LTD

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5
YALE-NEW HAVEN HOSPITAL

Identifying number
06-0646652

Shareholder's income from foreign corporation

1	Subpart F income	1	0.
2	Earnings invested in U.S. property	2	0.
3	Previously excluded subpart F income withdrawn from qualified investments	3	0.
4	Previously excluded export trade income withdrawn from investment in export trade assets	4	0.
5	Factoring income	5	0.
6	Total of lines 1 through 5	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	0.
8	Exchange gain or (loss) on a distribution of previously taxed income	8	0.

SCHEDULE J (Form 5471)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Information about Schedule J (Form 5471) and its instructions is at *www.irs.gov/form5471.*
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

YALE-NEW HAVEN HOSPITAL

Identifying number

06-0646652

Name of foreign corporation

LUKAN INDEMNITY COMPANY LTD

EIN (if any)

98-1072793

Reference ID number

Important: Enter amounts in functional currency.	**(a)** Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	**(b)** Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	**(c)** Previously Taxed E&P (sections 959(c)(1) and (2) balances)			**(d)** Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	*(ii)* Earnings Invested in Excess Passive Assets	*(iii)* Subpart F Income	
1 Balance at beginning of year	-2,688,764.					-2,688,764.
2a Current year E&P	1,234,472.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	-1,454,292.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,454,292.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,454,292.					-1,454,292.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 5471.**

Schedule J (Form 5471) (Rev. 12-2012)

DOHP2084

212421
12-26-12

SCHEDULE M (Form 5471)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Information about Schedule M (Form 5471) and its instructions is at *www.irs.gov/form5471.*
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471 | Identifying number

YALE-NEW HAVEN HOSPITAL | 06-0646652

Name of foreign corporation	EIN (if any)	Reference ID number
LUKAN INDEMNITY COMPANY LTD	98-1072793	

Important: *Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc.)					
16 Platform contribution transaction payments paid					
17 Cost sharing transaction payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
26 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

Form **5471**
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Informati . Return of U.S. Persons With aspect To Certain Foreign Corporations

▶ **For more information about Form 5471, see *www.irs.gov/form5471***

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2012 , and ending 12/31/2012

OMB No. 1545-0704

Attachment Sequence No. **121**

Name of person filing this return YALE NEW HAVEN HOSPITAL	A Identifying number 06-0646652
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 20 YORK STREET	B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 [ ] 3 [X] 4 [ ] 5 [X]
City or town, state, and ZIP code NEW HAVEN, CT 06504	C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 10 %
Filer's tax year beginning , and ending	

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation	b(1) Employer identification number, if any
THE MEDICAL CENTRE INSURANCE COMPANY, LTD. P.O. BOX HM 1760 HAMILTON, HM HX BERMUDA	N/A
	b(2) Reference ID number (see instructions) 1978
	c Country under whose laws incorporated BERMUDA

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
6/27/1978	BERMUDA	524150	INSURANCE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
N/A	N/A	N/A

c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
MARSH IAS MANAGEMENT SERVICES (BERMUDA) LTD. IAS BUILDING-WEST 44 CHURCH STREET HAMILTON HM 12, BERMUDA	SAME AS ITEM 2C

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	150,000	150,000

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. **Note:** *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
SEE STATEMENT 1				

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

				Functional Currency	U.S. Dollars
Income	1 a	Gross receipts or sales	1a		124,511,516
	b	Returns and allowances	1b		
	c	Subtract line 1b from line 1a	1c		124,511,516
	2	Cost of goods sold	2		
	3	Gross profit (subtract line 2 from line 1c)	3		124,511,516
	4	Dividends	4		10,644,458
	5	Interest	5		13,458,481
	6 a	Gross rents	6a		
	b	Gross royalties and license fees	6b		
	7	Net gain or (loss) on sale of capital assets	7		43,505,531
	8	Other income (attach statement)	8		
	9	Total income (add lines 3 through 8)	9		192,119,986
Deductions	10	Compensation not deducted elsewhere	10		
	11 a	Rents	11a		
	b	Royalties and license fees	11b		
	12	Interest	12		2,553,270
	13	Depreciation not deducted elsewhere	13		
	14	Depletion	14		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16	Other deductions (attach statement - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 2	16		175,722,597
	17	Total deductions (add lines 10 through 16)	17		178,275,867
Net Income	18	Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		13,844,119
	19	Extraordinary items and prior period adjustments (see instructions)	19		
	20	Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21	Current year net income or (loss) per books (combine lines 18 through 20)	21		13,844,119

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			NONE
2				
3				
4				
5				
6				
7				
8	Total ▶			NONE

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	169,328,111	187,323,669
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach statement) SEE STATEMENT 2	4	28,980,114	3,777,605
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach statement)	6		
7 Other investments (attach statement) SEE STATEMENT 2	7	1,185,769,451	1,354,442,185
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	( )	( )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach statement)	12		
13 Total assets	13	1,384,077,676	1,545,543,459
Liabilities and Shareholders' Equity			
14 Accounts payable	14	988,808	956,018
15 Other current liabilities (attach statement)	15		
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach statement) SEE STATEMENT 2	17	1,125,090,804	1,125,900,807
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	150,000	150,000
19 Paid-in or capital surplus (attach reconciliation) SEE STATEMENT 2	19	393,401,417	540,245,867
20 Retained earnings	20		
21 Less cost of treasury stock	21	(135,553,353)	(121,709,233)
22 Total liabilities and shareholders' equity	22	1,384,077,676	1,545,543,459

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required statement.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		X
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
6	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(i)(G).		X
7	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
8	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X

Schedule H Current Earnings and Profits (see instructions)

Important: *Enter the amounts on lines 1 through 5c in* ***functional*** *currency.*

1	Current year net income or (loss) per foreign books of account			1	13,844,119
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	**Net Additions**	**Net Subtractions**		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach statement) SEE STATEMENT 2	1,421,274			
3	Total net additions	1,421,274			
4	Total net subtractions				
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	15,265,393
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	15,265,393
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))			5d	15,265,393

Enter exchange rate used for line 5d ▶ 1.00

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

If item D on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471.

This Schedule I is being completed for:

Name of U.S. shareholder ▶ Identifying number ▶

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	NONE
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	NONE
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	NONE
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	NONE
5	Factoring income	5	NONE
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	NONE
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	NONE
8	Exchange gain or (loss) on a distribution of previously taxed income	8	NONE

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

SCHEDULE J
(Form 5471)

(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Information about Schedule J (Form 5471) and its instructions is at *www.irs.gov/form5471.*
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

YALE NEW HAVEN HOSPITAL

Identifying number

06-0646652

Name of foreign corporation

THE MEDICAL CENTRE INSURANCE COMPANY, LTD.

EIN (if any)

N/A

Reference ID number (see instructions)

1979

Important: Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	(195,112,450)					(195,112,450)
2a Current year E&P	15,265,393					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	(179,847,057)					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	(179,847,057)					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	(179,847,057)					(179,847,057)

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2012)

DOHP2090

JSA
2X1665 2.000

SCHEDULE O (Form 5471)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Organi. .tion or Reorganization of . oreign Corporation, and Acquisitions and Dispositions of its Stock

Information about Schedule O (Form 5471) and its instructions is at *www.irs.gov/form5471*
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471	Identifying number
YALE NEW HAVEN HOSPITAL	06-0646652

Name of foreign corporation	EIN (if any)	Reference ID number (see instructions)
THE MEDICAL CENTRE INSURANCE COMPANY, LTD.	N/A	1978

Important: *Complete a **separate** Schedule O for each foreign corporation for which information must be reported.*

Part I To Be Completed by U.S. Officers and Directors

(a) Name of shareholder for whom acquisition information is reported	(b) Address of shareholder	(c) Identifying number of shareholder	(d) Date of original 10% acquisition	(e) Date of additional 10% acquisition

Part II To Be Completed by U.S. Shareholders

Note: *If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.*

Section A - General Shareholder Information

(a) Name, address, and identifying number of shareholder(s) filing this schedule	(b) For shareholder's latest U.S. income tax return filed, indicate: (1) Type of return (enter form number)	(2) Date return filed	(3) Internal Revenue Service Center where filed	(c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation
YALE NEW HAVEN HOSPITAL 20 YORK STREET NEW HAVEN, CT 06504 06-0646652				

Section B - U.S. Persons Who Are Officers or Directors of the Foreign Corporation

(a) Name of U.S. officer or director	(b) Address	(c) Social security number	(d) Check appropriate box(es) Ofcr	Dir
SEE STATEMENT 3				

Section C - Acquisition of Stock

(a) Name of shareholder(s) filing this schedule	(b) Class of stock acquired	(c) Date of acquisition	(d) Method of acquisition	(e) Number of shares acquired (1) Directly	(2) Indirectly	(3) Constructively

(f) Amount paid or value given	(g) Name and address of person from whom shares were acquired

Section D — Disposition of Stock

(a) Name of shareholder disposing of stock	(b) Class of stock	(c) Date of disposition	(d) Method of disposition	(e) Number of shares disposed of		
				(1) Directly	(2) Indirectly	(3) Constructively

(f) Amount received	(g) Name and address of person to whom disposition of stock was made

Section E — Organization or Reorganization of Foreign Corporation

(a) Name and address of transferor	(b) Identifying number (if any)	(c) Date of transfer

(d) Assets transferred to foreign corporation			(e) Description of assets transferred by, or notes or securities issued by, foreign corporation
(1) Description of assets	(2) Fair market value	(3) Adjusted basis (if transferor was U.S. person)	

Section F — Additional Information

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ▶

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

The Medical Centre Insurance Company, Ltd.
Schedule B (Form 5471)

Shareholder	Description	Shares BOY	Shares EOY	Pro Rata Subpart F
Cornell University 575 Lexington Avenue, Suite 540 New York, NY 10022-6102 EIN: 15-0532082	Common	15,000	15,000	10.00%
The New York and Presbyterian Hospital 525 East 68th Street New York, NY 10021 EIN: 13-3957095	Common	30,000	30,000	20.00%
University of Rochester 175 Corporate Woods, Suite 225 Rochester, NY 14623 EIN: 16-0743209	Common	30,000	30,000	20.00%
The Johns Hopkins University JHHS Finance 1101 E. 33rd Street Baltimore, MD 21218 EIN: 52-0595110	Common	15,000	15,000	10.00%
The Johns Hopkins Hospital JHHS Finance 1101 E. 33rd Street Baltimore, MD 21218 EIN: 52-0591656	Common	15,000	15,000	10.00%
Yale University 25 Science Park 150 Munson Street New Haven, CT 06520-8239 EIN: 06-0646973	Common	15,000	15,000	10.00%
Yale New Haven Hospital 20 York Street New Haven, CT 06504 EIN: 06-0646652	Common	15,000	15,000	10.00%
The Trustees of Columbia University in the City of New York 630 West 168th Street P&S 2-463 New York, NY 10032 EIN: 13-5598093	Common	15,000	15,000	10.00%

STATEMENT 1

Line 16, Sch C (Form 5471) - Other Deductions

1	LOSSES INCURRED	1	170,854,673
2	ACQUISITION EXPENSE	2	1,245,115
3	MANAGEMENT FEES	3	407,275
4	LEGAL AND PROFESSIONAL FEES	4	42,628
5	AUDIT FEES	5	67,143
6	ANNUAL BUSINESS FEES	6	8,475
7	TRAVEL & MEETING EXPENSES	7	102,961
8	SALARIES	8	12,000
9	INVESTMENT MANAGEMENT FEES	9	2,916,821
10	BANK CHARGES	12	461
11	ACTUARIAL FEES	13	32,320
12	MISCELLANEOUS	14	6,530
13	TAX CONSULTANCY FEE	15	26,195
14	TOTAL OTHER DEDUCTIONS	14	175,722,597

Line 4, Sch F (Form 5471) - Other Current Assets

			Beginning	End
1	ACCRUED INCOME RECEIVABLE	1	3,909,164	3,191,280
2	RECEIVABLE FOR SECURITIES SOLD	2	1,345,505	582,307
3	LOSSES RECOVERABLE FROM REINSURERS	3	23,712,800	NONE
4	OTHER ASSETS	4	12,645	4,018
5	TOTAL OTHER CURRENT ASSETS	5	28,980,114	3,777,605

Line 7, Sch F (Form 5471) - Other Investments

			Beginning	End
1	INVESTMENTS	1	1,185,769,451	1,354,442,185
2	TOTAL OTHER INVESTMENTS	2	1,185,769,451	1,354,442,185

Line 17, Sch F (Form 5471) - Other Liabilities

			Beginning	End
1	RESERVE FOR LOSSES AND LOSS ADJUSTMENT EXPENSES	1	993,422,050	1,015,782,490
2	FUNDS WITHHELD FROM REINSURERS	2	39,211,730	NONE
3	PAYABLE FOR SECURITIES PURCHASED	3	2,625,994	3,730,401
4	AMOUNTS DUE TO SHAREHOLDERS	4	89,157,841	91,402,504
5	AMOUNTS DUE TO RELATED PARTIES	5	673,189	6,519,236
6	DEPOSIT LIABILITY	6	NONE	8,466,176
7	TOTAL OTHER LIABILITIES	7	1,125,090,804	1,125,900,807

Line 19, Sch F (Form 5471) - Paid-in capital surplus

1	BEGINNING BALANCE	1	393,401,417
2	CONTRIBUTIONS OF CAPITAL FROM SHAREHOLDERS	2	89,390,126
3	OTHER COMPREHENSIVE INCOME/(LOSS)	3	57,454,324
4	PAID-IN CAPITAL SURPLUS, END OF YEAR	4	540,245,867

Line 2h, Sch H (Form 5471) - Other Additions/Subtractions

			Additions	Subtractions
1	OTHER THAN TEMPORARY IMPAIRMENT ON MARKETABLE SECURITIES	1	1,421,274	0
2	TOTAL OTHER ADDITIONS/SUBTRACTIONS	2	1,421,274	0

The Medical Centre Insurance Company, Ltd.
Form 5471
for the Year Ended December 31, 2012

Schedule O, Part II, Section B-U.S. Persons Who Are Officers or Directors of the Foreign Corp.

Name & Address	Social Security Number	Officer	Director
1 Michael C. Goonan *	*	X	X
2 Stephen M. Cohen *	*	X	X
3 Phyllis R. F. Lantos *	*	X	X
4 James M. Staten *	*	X	X
5 Christopher D. Smith *	*	X	
6 Abraham P. Cheij, Jr. *	*	X	
7 Ronald J. Werthman *	*	X	X
8 Frederick G. Savage, Esq. *	*		X
9 Mark Larmore *	*		X
10 Richard U. Levine, MD *	*		X
11 David J. Leffell *	*		X
12 Christopher Garrod, Esq. *	*	X	X
13 Mark B. Taubman *	*		X

STATEMENT 3

* Detail available upon request

The Medical Centre Insurance Company, Ltd.
Form 5471
Year Ended December 31, 2012

Statement Required Pursuant to Treasury Regulation Section 1.6046-1(b)(11)

Pursuant to Treasury Regulation Section 1.6046-1(b)(11), The Medical Centre Insurance Company, Ltd. had the following amounts of indebtedness:

a. to any United States person owning 5 percent or more in value of the Company's stock — **NONE**

b. to any other foreign corporation owning 5 percent or more in value of the outstanding stock of the foreign corporation — **NONE**

Statement Required Pursuant to Treasury Regulation Section 1.6046-1(b)(12)

Pursuant to Treasury Regulation Section 1.6046-1(b)(12), the following is a complete list of all subscribers to the stock of The Medical Centre Insurance Company, Ltd. as of December 31, 2012:

NONE

Statement 4

Form **5713**
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

International Boycott Report

For tax year beginning OCTOBER 1, 2012
and ending SEPTEMBER 30, 2013
Controlled groups, see instructions.

OMB No. 1545-0216
Attachment Sequence No. 123
Paper filers must file in duplicate (see When and Where to File in the instructions)

Name
Yale-New Haven Hospital

Identifying number
06-0646652

Number, street, and room or suite no. If a P.O. box, see instructions.
20 York Street

City or town, state, and ZIP code
New Haven CT 06504

Address of service center where your tax return is filed
OGDEN, UT

Type of filer (check one): Individual | Partnership | X Corporation | Trust | Estate | Other -501(C)(3)

1 **Individuals** - Enter adjusted gross income from your tax return (see instructions)

2 **Partnerships and corporations:**

a Partnerships - Enter each partner's name and identifying number.

b Corporations - Enter the name and employer identification number of each member of the controlled group (as defined in section 993(a)(3)). Do not list members included in the consolidated return; instead, attach a copy of Form 851. List all other members of the controlled group not included in the consolidated return.

If you list any corporations below or if you attach Form 851, you must designate a common tax year. Enter on line 4b the name and employer identification number of the corporation whose tax year is designated.

Name and Address	FEIN
YNH Network Corporation	06-1513687
York Enterprises, Inc. & Subsidiaries	06-1110937
Greenwich Hospital Endowment Fund	06-1526642
Yale-New Haven Ambulatory Services Corporation	06-1398526
Yale New Haven Health Services Corporation	22-2529464
YNHH-MSO, Inc.	06-1467717
Bridgeport Hospital	06-0646554
Greenwich Hospital	06-0646659

	Code	Description
c Enter principal business activity code and description (see instructions)	622000	HOSPITAL
d IC-DISCs - Enter principal product or service code and description (see instructions)		SURGICAL, MEDICAL SERVICE

3. **Partnerships** - Each partnership filing Form 5713 must give the following information:

a Partnership's total assets (see instructions)

b Partnership's ordinary income (see instructions)

4 **Corporations** - Each corporation filing Form 5713 must give the following information:

a Type of form filed (Form 1120, 1120-FSC, 1120-IC-DISC, 1120-L, 1120-PC, etc.) FORM 990/990T

b Common tax year election (see instructions)

(1) Name of corporation YALE-NEW HAVEN HOSPITAL

(2) Employer identification number 06-0646652

(3) Common tax year beginning 10/01/12 , and ending 09/30/2013

c Corporations filing this form enter:

(1) Total assets (see instructions) 2,658,309,741

(2) Taxable income before net operating loss and special deductions (see instructions) 0

5 **Estates or trusts** - Enter total income (Form 1041, page 1)

6 Enter the total amount (before reduction for boycott participation or cooperation) of the following tax benefits (see instructions):

a Foreign tax credit

b Deferral of earnings of controlled foreign corporations

c Deferral of IC-DISC income

d FSC exempt foreign trade income

e Foreign trade income qualifying for the extraterritorial income exclusion

Please Sign Here

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature | Date | Title

DOHP2097

Form 5713 (Rev. 12-2010)

	Yes	No
7 a Are you a U.S. shareholder (as defined in section 951(b)) of any foreign corporation (including a FSC that does not use the administrative pricing rules) that had operations reportable under section 999(a)?		X
b If the answer to question 7a is "Yes," is any foreign corporation a controlled foreign corporation (as defined in section 957(a))?		N/A
c Do you own any stock of an IC-DISC?		X
d Do you claim any foreign tax credit?		X
e Do you control (within the meaning of section 304(c)) any corporation (other than a corporation included in this report) that has operations reportable under section 999(a)?		X
If "Yes," did that corporation participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
f Are you controlled (within the meaning of section 304(c)) by any person (other than a person included in this report) who has operations reportable under section 999(a)?		X
If "Yes," did that person participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
g Are you treated under section 671 as the owner of a trust that has reportable operations under section 999(a)?		X
h Are you a partner in a partnership that has reportable operations under section 999(a)?		X
i Are you a foreign sales corporation (FSC) (as defined in section 922(a), as in effect before its repeal)?		X
j Are you excluding extraterritorial income (defined in section 114(e)) as in effect before its repeal) from gross income?		X

Part I **Operations in or Related to a Boycotting Country** (See instructions)

	Yes	No
8 **Boycott of Israel** - Did you have any operations in or related to any country (or with the government, a company, or a national of that country) associated in carrying out the boycott of Israel which is on the list maintained by the Secretary of the Treasury under section 999(a)(3)? (See **Boycotting Countries** in the instructions.)	X	

If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Principal business activity Description (4)	IC-DISCs only - Enter product code (5)
a	SAUDI ARABIA	22-2529464	611000	EDUCATIONAL SERVICES	
b					
c					
d					
e					
f					
g					
h					
i					
j					
k					
l					
m					
n					
o					

	Yes	No
9 Nonlisted countries boycotting Israel - Did you have operations in any nonlisted country which you know or have reason to know requires participation in or cooperation with an international boycott directed against Israel?		X

If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box ....

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Principal business activity Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
10 Boycotts other than the boycott of Israel - Did you have operations in any other country which you know or have reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel?		X

If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box ....

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Principal business activity Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
11 Were you requested to participate in or cooperate with an international boycott? .... If "Yes," attach a copy (in English) of any and all such requests received during your tax year. If the request was in a form other than a written request, attach a separate sheet explaining the nature and form of any and all such requests. (See instructions.)		X
12 Did you participate in or cooperate with an international boycott? .... If "Yes," attach a copy (in English) of any and all boycott clauses agreed to, and attach a general statement of the agreement. If the agreement was in a form other than a written agreement, attach a separate sheet explaining the nature and form of any and all such agreements. (See instructions.)		X

Note: If the answer to either question 11 or 12 is "Yes," you must complete the rest of Form 5713. If you answered "Yes" to question 12, you must complete Schedules A and C or B and C (Form 5713).

Part II Requests for and Acts of Participation in or Cooperation With an International Boycott

	Requests		Agreements	
	Yes	No	Yes	No
13 a Did you receive requests to enter into, or did you enter into, any agreement (see instructions):				
(1) As a condition of doing business directly or indirectly within a country or with the government, a company, or a national of a country to -				
(a) Refrain from doing business with or in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(b) Refrain from doing business with any U.S. person engaged in trade in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(c) Refrain from doing business with any company whose ownership or management is made up, in whole or in part, of individuals of a particular nationality, race, or religion, or to remove (or refrain from selecting) corporate directors who are individuals of a particular nationality, race, or religion?				
(d) Refrain from employing individuals of a particular nationality, race, or religion?				
(2) As a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring products on a carrier owned, leased, or operated by a person who does not participate in or cooperate with an international boycott?				

b Requests and agreements - If the answer to any part of 13a is "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box

	Name of country (1)	Identifying number of person receiving the request or having the agreement (2)	Principal business activity		IC-DISCs — Enter product code (5)	Type of cooperation or participation			
			Code (3)	Description (4)		Number of requests		Number of agreements	
						Total (6)	Code (7)	Total (8)	Code (9)
a									
b									
c									
d									
e									
f									
g									
h									
i									
j									
k									
l									
m									
n									
o									
p									

Form **8594** (Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Asset Acquisition Statement
Under Section 1060

▶ Attach to your income tax return.

▶ Information about Form 8594 and its separate instructions is at www.irs.gov/form8594

OMB No. 1545-1021

Attachment Sequence No. **169**

Name as shown on return

YALE-NEW HAVEN HOSPITAL

Identifying number as shown on return

06-0646652

Check the box that identifies you:

[X] Purchaser [ ] Seller

Part I General Information

1 Name of other party to the transaction

CARDIOLOGY ASSOCIATES OF NEW HAVEN, P.C.

Other party's identifying number

06-0982437

Address (number, street, and room or suite no.)

2 DEVINE STREET

City or town, state, and ZIP code

NORTH HAVEN, CT 06473

2 Date of sale

05/01/13

3 Total sales price (consideration)

1,193,000.

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	$	$
Class II	$	$
Class III	$	$
Class IV	$ 35,000.	$ 35,000.
Class V	$ 806,000.	$ 806,000.
Class VI and VII	$ 352,000.	$ 352,000.
Total	$ 1,193,000.	$ 1,193,000.

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? [ ] Yes [X] No

If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? [ ] Yes [ ] No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? [ ] Yes [X] No

If "Yes," attach a statement that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

Part III **Supplemental Statement** - Complete only if amending an original statement or previously filed supplemental statement because of an increase or decrease in consideration.

7 Tax year and tax return form number with which the original Form 8594 and any supplemental statements were filed.

8 Assets	Allocation of sales price as previously reported	Increase or (decrease)	Redetermined allocation of sales price
Class I	$	$	$
Class II	$	$	$
Class III	$	$	$
Class IV	$	$	$
Class V	$	$	$
Class VI and VII	$	$	$
Total	$		$

9 Reason(s) for increase or decrease. Attach additional sheets if more space is needed.

Form **8594** (Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Asset Acquisition Statement
Under Section 1060

▶ Attach to your income tax return.

▶ Information about Form 8594 and its separate instructions is at www.irs.gov/form8594

OMB No. 1545-1021

Attachment Sequence No. **169**

Name as shown on return

YALE-NEW HAVEN HOSPITAL

Identifying number as shown on return

06-0646652

Check the box that identifies you:

[X] Purchaser [ ] Seller

Part I General Information

1 Name of other party to the transaction

UROLOGY CENTER PC

Other party's identifying number

06-0857275

Address (number, street, and room or suite no.)

333 ORCHARD ST. STE 164

City or town, state, and ZIP code

NEW HAVEN, CT 06511-4429

2 Date of sale

07/12/13

3 Total sales price (consideration)

475,129.

Part II Original Statement of Assets Transferred

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	$	$
Class II	$	$
Class III	$	$
Class IV	$ 83,712.	$ 83,712.
Class V	$ 391,417.	$ 391,417.
Class VI and VII	$	$
Total	$ 475,129.	$ 475,129.

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? [ ] Yes [X] No

If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? [ ] Yes [ ] No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? [ ] Yes [X] No

If "Yes," attach a statement that specifies **(a)** the type of agreement and **(b)** the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

Form 8594 (Rev. 12-2012)

Part III Supplemental Statement - Complete only if amending an original statement or previously filed supplemental statement because of an increase or decrease in consideration.

7 Tax year and tax return form number with which the original Form 8594 and any supplemental statements were filed.

8 Assets	Allocation of sales price as previously reported	Increase or (decrease)	Redetermined allocation of sales price
Class I	$	$	$
Class II	$	$	$
Class III	$	$	$
Class IV	$	$	$
Class V	$	$	$
Class VI and VII	$	$	$
Total	$		$

9 Reason(s) for increase or decrease. Attach additional sheets if more space is needed.

"PUBLIC INSPECTION COPY"

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning OCT 1, 2012 , and ending SEP 30, 2013

OMB No. 1545-0687
2012
Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
YALE-NEW HAVEN HOSPITAL

Number, street, and room or suite no. If a P.O. box, see instructions.
20 YORK STREET

City or town, state, and ZIP code
NEW HAVEN, CT 06504

D Employer identification number (Employees' trust, see instructions.)
06-0646652

E Unrelated business activity codes (See instructions)
621500 524114

C Book value of all assets at end of year
2,658,309,743.

F Group exemption number (see instructions) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ SEE STATEMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No

If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 4

J The books are in care of ▶ VINCENT TAMMARO Telephone number ▶ 203-688-2069

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales ____ b Less returns and allowances ____ c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (see instructions; attach statement) STATEMENT 2	12	3,265,917.		3,265,917.
13 **Total.** Combine lines 3 through 12	13	3,265,917.		3,265,917.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)
(except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach statement)		18	
19	Taxes and licenses		19	
20	Charitable contributions (see instructions for limitation rules)		20	
21	Depreciation (attach Form 4562)	21	22b	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	23	
23	Depletion		24	
24	Contributions to deferred compensation plans		25	
25	Employee benefit programs		26	
26	Excess exempt expenses (Schedule I)		27	
27	Excess readership costs (Schedule J)		28	1,498,924.
28	Other deductions (attach statement) SEE STATEMENT 3		29	1,498,924.
29	**Total deductions.** Add lines 14 through 28		30	1,766,993.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		31	1,766,993.
31	Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 5		32	0.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		33	1,000.
33	Specific deduction (generally $1,000, but see instructions for exceptions)		34	0.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			

Part III Tax Computation

35	Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ [X] See instructions and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ 0. (2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 ▶	35c	0.
36	Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	Proxy tax (see instructions) ▶	37	
38	Alternative minimum tax	38	28,650.
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	28,650.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	Total credits. Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	28,650.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach statement)			42	
43	Total tax. Add lines 41 and 42			43	28,650.
44a	Payments: A 2011 overpayment credited to 2012	44a			
b	2012 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	Total payments. Add lines 44a through 44g			45	
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	665.
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	29,315.
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	
49	Enter the amount of line 48 you want: Credited to 2013 estimated tax ▶ Refunded ▶			49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (attach statement)	4a					
b	Other costs (attach statement)	4b					
5	Total. Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Christopher B. Boggs	Christopher B. Boggs	08/05/14		P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN . — Phone no. 317-681-7000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	0.	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)			
(2)			
(3)			
(4)			

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
Totals ▶				Enter here and on page 1, Part I, line 7, column (A). 0.	Enter here and on page 1, Part I, line 7, column (B). 0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations				
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). 0.	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 25. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

Form **4626**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 4626 and its separate instructions is at www.irs.gov/form4626.

OMB No. 1545-0175

2012

Name

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction			1	1,765,993.
2	**Adjustments and preferences:**				
a	Depreciation of post-1986 property			2a	
b	Amortization of certified pollution control facilities			2b	
c	Amortization of mining exploration and development costs			2c	
d	Amortization of circulation expenditures (personal holding companies only)			2d	
e	Adjusted gain or loss			2e	
f	Long-term contracts			2f	
g	Merchant marine capital construction funds			2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)			2h	
i	Tax shelter farm activities (personal service corporations only)			2i	
j	Passive activities (closely held corporations and personal service corporations only)			2j	
k	Loss limitations			2k	
l	Depletion			2l	
m	Tax-exempt interest income from specified private activity bonds			2m	
n	Intangible drilling costs			2n	
o	Other adjustments and preferences			2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o			3	1,765,993.
4	**Adjusted current earnings (ACE) adjustment:**				
a	ACE from line 10 of the ACE worksheet in the instructions	4a	1,765,993.		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0.		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c			
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** You **must** enter an amount on line 4d (even if line 4b is positive)	4d			
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount			4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT			5	1,765,993.
6	Alternative tax net operating loss deduction (see instructions)		STATEMENT 6	6	1,589,394.
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions			7	176,599.
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):				
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	26,599.		
b	Multiply line 8a by 25% (.25)	8b	6,650.		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-			8c	33,350.
9	Subtract line 8c from line 7. If zero or less, enter -0-			9	143,249.
10	Multiply line 9 by 20% (.20)			10	28,650.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)			11	
12	Tentative minimum tax. Subtract line 11 from line 10			12	28,650.
13	Regular tax liability before applying all credits except the foreign tax credit			13	
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return			14	28,650.

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626				1	1,765,993.
2	ACE depreciation adjustment:					
a	AMT depreciation			2a		
b	ACE depreciation:					
	(1) Post-1993 property	2b(1)				
	(2) Post-1989, pre-1994 property	2b(2)				
	(3) Pre-1990 MACRS property	2b(3)				
	(4) Pre-1990 original ACRS property	2b(4)				
	(5) Property described in sections 168(f)(1) through (4)	2b(5)				
	(6) Other property	2b(6)				
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)			2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a				2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):					
a	Tax-exempt interest income			3a		
b	Death benefits from life insurance contracts			3b		
c	All other distributions from life insurance contracts (including surrenders)			3c		
d	Inside buildup of undistributed income in life insurance contracts			3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)			3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e				3f	
4	Disallowance of items not deductible from E&P:					
a	Certain dividends received			4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247			4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)			4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)			4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)			4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e				4f	
5	Other adjustments based on rules for figuring E&P:					
a	Intangible drilling costs			5a		
b	Circulation expenditures			5b		
c	Organizational expenditures			5c		
d	LIFO inventory adjustments			5d		
e	Installment sales			5e		
f	Total other E&P adjustments. Combine lines 5a through 5e				5f	
6	Disallowance of loss on exchange of debt pools				6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts				7	
8	Depletion				8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property				9	
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626				10	1,765,993.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

LABORATORY DROP-OFF SERVICE
MALPRACTICE INSURANCE

TO FORM 990-T, PAGE 1

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
LABORATORY SERVICES	1,227,409.
MALPRACTICE INSURANCE	2,038,508.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	3,265,917.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
DIRECT EXPENSES	915,749.
INDIRECT EXPENSE	583,175.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	1,498,924.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 4

CORPORATION'S NAME	IDENTIFYING NO
YNH NETWORK CORPORATION	06-1513687

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 5

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/02	264,078.	0.	264,078.	264,078.
09/30/03	358,483.	0.	358,483.	358,483.
09/30/04	497,299.	0.	497,299.	497,299.
09/30/05	499,149.	0.	499,149.	499,149.
09/30/06	533,771.	0.	533,771.	533,771.
09/30/07	282,822.	0.	282,822.	282,822.
09/30/08	317,233.	0.	317,233.	317,233.
09/30/09	674,948.	0.	674,948.	674,948.
09/30/10	2,211,548.	0.	2,211,548.	2,211,548.
09/30/11	794,538.	0.	794,538.	794,538.
09/30/12	391,751.	0.	391,751.	391,751.
NOL CARRYOVER AVAILABLE THIS YEAR			6,825,620.	6,825,620.

FORM 4626 ALTERNATIVE MINIMUM TAX NOL DEDUCTION STATEMENT 6

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
09/30/02	264,078.	0.	264,078.
09/30/03	358,483.	0.	358,483.
09/30/04	497,299.	0.	497,299.
09/30/05	499,149.	0.	499,149.
09/30/06	533,771.	0.	533,771.
09/30/07	282,822.	0.	282,822.
09/30/08	317,233.	0.	317,233.
09/30/09	674,948.	0.	674,948.
09/30/10	2,211,548.	0.	2,211,548.
09/30/11	794,538.	0.	794,538.
09/30/12	391,751.	0.	391,751.
AMT NOL CARRYOVER AVAILABLE THIS YEAR			6,825,620.

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ Attach to the corporation's tax return. FORM 990-T

▶ Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

OMB No. 1545-0142

2012

Name

YALE-NEW HAVEN HOSPITAL

Employer identification number

06-0646652

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	28,650.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c	Credit for federal tax paid on fuels (see instructions)	2c		
d	**Total.** Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty		3	28,650.
4	Enter the tax shown on the corporation's 2011 income tax return (see instructions). **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5**		4	
5	**Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	28,650.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6 ☐ The corporation is using the adjusted seasonal installment method.

7 ☐ The corporation is using the annualized income installment method.

8 ☐ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (**Form 990-PF filers:** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	01/15/13	03/15/13	06/15/13	09/15/13
10	**Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	7,163.	7,162.	7,163.	7,162.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15				
	Complete lines 12 through 18 of one column before going to the next column.				
12	Enter amount, if any, from line 18 of the preceding column				
13	Add lines 11 and 12				
14	Add amounts on lines 16 and 17 of the preceding column		7,163.	14,325.	21,488.
15	Subtract line 14 from line 13. If zero or less, enter -0-	0.	0.	0.	0.
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		7,163.	14,325.	
17	**Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	7,163.	7,162.	7,163.	7,162.
18	**Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). **(Form 990-PF and Form 990-T filers:** Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2012 and before 7/1/2012	21				
22 Underpayment on line 17 x Number of days on line 21 / 366 x 3%	22	$	$	$	$
23 Number of days on line 20 after 06/30/2012 and before 10/1/2012	23				
24 Underpayment on line 17 x Number of days on line 23 / 366 x 3%	24	$	$	$	$
25 Number of days on line 20 after 9/30/2012 and before 1/1/2013	25				
26 Underpayment on line 17 x Number of days on line 25 / 366 x 3%	26	$	$	$	$
27 Number of days on line 20 after 12/31/2012 and before 4/1/2013	27	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x Number of days on line 27 / 365 x 3%	28	$	$	$	$
29 Number of days on line 20 after 3/31/2013 and before 7/1/2013	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30	$	$	$	$
31 Number of days on line 20 after 6/30/2013 and before 10/01/2013	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32	$	$	$	$
33 Number of days on line 20 after 9/30/2013 and before 1/1/2014	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34	$	$	$	$
35 Number of days on line 20 after 12/31/2013 and before 2/16/2014	35				
36 Underpayment on line 17 x Number of days on line 35 / 365 x *%	36	$	$	$	$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	$	$	$	$

38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns ... 38 $ 665.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov**. You can also call 1-800-829-4933 to get interest rate information.

FORM 990-T
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s)	Identifying Number
YALE-NEW HAVEN HOSPITAL	06-0646652

(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
01/15/13	7,163.	7,163.	59	.000082192	35.
03/15/13	7,162.	14,325.	92	.000082192	108.
06/15/13	7,163.	21,488.	92	.000082192	162.
09/15/13	7,162.	28,650.	153	.000082192	360.

Penalty Due (Sum of Column F). ..... 665.

* Date of estimated tax payment, withholding credit date or installment due date.

G:\Tax\Administration\Controlled Election\2013\Rec Controlled Election09302013\Rec Controlled Election09302013

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Network Corporation
Address: 789 Howard Avenue, New Haven, CT 06519
Taxable year ended: September 30, 2013
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets				Section 55(d) AMT Exemption		Section 38 (c)(3)(B) General Business Credit Limitation	Section 179	Section 535(c) Accumulated Earnings Credit	Section 6655 (g)(2)(A) Large Corporation Income
				15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2329404	Ogden, UT	9/30/2013	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	06-1526642	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2116

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/4/14
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	Treasurer	5/6/14
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/4/14
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/4/14
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Treasurer	5/4/14
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	6/3/14
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	6/3/14
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene Colucci	SVP, CFO	5/28/14
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	Frank Corvino	President and CEO	5/29/14

DOHP2117

Form **5471**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ For more information about Form 5471, see www.irs.gov/form5471.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning OCT 1 , 2012, and ending SEP 30, 2013

OMB No. 1545-0704

Attachment Sequence No. 121

Name of person filing this return

YALE-NEW HAVEN HOSPITAL

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)

20 YORK STREET

City or town, state, and ZIP code

NEW HAVEN, CT 06504

A Identifying number

06-0646652

B Category of filer (See instructions. Check applicable box(es)):

1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00 %

Filer's tax year beginning OCT 1 , 2012 , and ending SEP 30 , 2013

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director
YALE NEW HAVEN HOSPI	20 YORK STREET NEW HAVEN CT 0	06-0646552	X		

Important: *Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation

LUKAN INDEMNITY COMPANY LTD
58 PAR LA VILLE RD
HAMILTON FC HM 11
BERMUDA

b(1) Employer identification number, if any: 98-1072793

b(2) Reference ID number (see instructions):

c Country under whose laws incorporated: BERMUDA

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
10/07/92	HAMILTON BERMUDA	524140	INSURANCE	U.S.,DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
0.	0.

c Name and address of foreign corporation's statutory or resident agent in country of incorporation

WILLIS MANAGEMENT LIMITED
THE WILLIS BUILDING 3RD FL
HAMILTON, HM 11
BERMUDA

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	1,200	1,200

Schedule B U.S. Shareholders of Foreign Corporation

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. **Note:** This description should match the corresponding description entered in Schedule A, column (a).	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
YALE-NEW HAVEN HOSPITAL 20 YORK STREET NEW HAVEN CT 06504 060646652	COMMON	1,200	1,200	100.00%

Schedule C Income Statement

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

			Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a		2,111,425.
	b Returns and allowances	1b		
	c Subtract line 1b from line 1a	1c		2,111,425.
	2 Cost of goods sold	2		
	3 Gross profit (subtract line 2 from line 1c)	3		2,111,425.
	4 Dividends	4		
	5 Interest	5		
	6a Gross rents	6a		
	b Gross royalties and license fees	6b		
	7 Net gain or (loss) on sale of capital assets	7		
	8 Other income (attach statement) SEE STATEMENT 7	8		393,306.
	9 Total income (add lines 3 through 8)	9		2,504,731.
Deductions	10 Compensation not deducted elsewhere	10		
	11a Rents	11a		
	b Royalties and license fees	11b		
	12 Interest	12		
	13 Depreciation not deducted elsewhere	13		
	14 Depletion	14		
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16 Other deductions (attach statement - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 8	16		1,270,259.
	17 Total deductions (add lines 10 through 16)	17		1,270,259.
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		1,234,472.
	19 Extraordinary items and prior period adjustments	19		
	20 Provision for income, war profits, and excess profits taxes	20		
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		1,234,472.

Schedule E | Income, War Profits, and Excess Profits Taxes Paid or Accrued

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			0.
2	NONE			
3				
4				
5				
6				
7				
8	Total ▶			

Schedule F | Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	26,670,308.	24,196,072.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach statement)	4		
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach statement)	6		
7 Other investments (attach statement) SEE STATEMENT 9	7	7,292,141.	6,766,150.
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	( )	( )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach statement) SEE STATEMENT 10	12	402,216.	79,368.
13 Total assets	13	34,364,665.	31,041,590.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	84,557.	73,555.
15 Other current liabilities (attach statement) SEE STATEMENT 11	15	30,197,201.	26,103,618.
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach statement) SEE STATEMENT 12	17		73,028.
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	120,000.	120,000.
19 Paid-in or capital surplus (attach reconciliation)	19	3,962,907.	4,671,389.
20 Retained earnings	20		
21 Less cost of treasury stock	21	( )	( )
22 Total liabilities and shareholders' equity	22	34,364,665.	31,041,590.

Form **5471** (Rev. 12-2012)

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required statement.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		X
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X
6	During the tax year, did the foreign corporation participate in any reportable transaction as defined in Regulations section 1.6011-4? If "Yes," attach Form(s) 8886 if required by Regulations section 1.6011-4(c)(3)(i)(G).		X
7	During the tax year, did the foreign corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)?		X
8	During the tax year, did the foreign corporation pay or accrue foreign taxes to which section 909 applies, or treat foreign taxes that were previously suspended under section 909 as no longer suspended?		X

Schedule H Current Earnings and Profits

Important: *Enter the amounts on lines 1 through 5c in functional currency.*

1	Current year net income or (loss) per foreign books of account			1	1,234,472.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	Net Additions	Net Subtractions		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach statement)				
3	Total net additions				
4	Total net subtractions				
5a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	1,234,472.
b	DASTM gain or (loss) for foreign corporations that use DASTM			5b	
c	Combine lines 5a and 5b			5c	1,234,472.
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations)			5d	1,234,472.

Enter exchange rate used for line 5d ▶ 1.000000

Schedule I Summary of Shareholder's Income From Foreign Corporation

If item D on page 1 is completed, a separate Schedule I must be filed for each Category 4 or 5 filer for whom reporting is furnished on this Form 5471. This schedule I is being completed for:

Name of U.S. shareholder ▶ YALE-NEW HAVEN HOSPITAL Identifying number ▶ 06-0646652

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

FORM 5471 OTHER INCOME STATEMENT 7

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
INVESTMENT INCOME			393,306.
TOTAL TO 5471, SCHEDULE C, LINE 8			393,306.

FORM 5471 OTHER DEDUCTIONS STATEMENT 8

DESCRIPTION	FUNCTIONAL CURRENCY	EXCHANGE RATE	U.S. DOLLAR
NET LOSS INCURRED, IBNR, OSLR			932,685.
GENERAL AND ADMINISTRATIVE EXPENSES			337,574.
TOTAL TO 5471, SCHEDULE C, LINE 16			1,270,259.

FORM 5471 OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
BONDS	7,292,141.	6,766,150.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 7	7,292,141.	6,766,150.

FORM 5471 OTHER ASSETS STATEMENT 10

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
INVESTMENT IN/ADVANCES TO AFFILIATES	383,595.	
OTHER ASSETS	18,621.	79,368.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 12	402,216.	79,368.

FORM 5471 OTHER CURRENT LIABILITIES STATEMENT 11

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
LOSS AND LOSS PROVISION	29,802,664.	26,048,440.
INSURANCE AND REINSURANCE PAYABLE	394,537.	55,178.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 15	30,197,201.	26,103,618.

FORM 5471 OTHER LIABILITIES STATEMENT 12

DESCRIPTION	BEG. OF ANNUAL ACCOUNTING PERIOD	END OF ANNUAL ACCOUNTING PERIOD
DUE TO AFFILIATES	0.	73,028.
TOTAL TO 5471, PAGE 3, SCHEDULE F, LINE 17	0.	73,028.

Foreign Corporation LUKAN INDEMNITY COMPANY LTD

Schedule I Shareholder's Income From Foreign Corporation

Name of shareholder described in Category 5	Identifying number
YALE-NEW HAVEN HOSPITAL	06-0646652

Shareholder's income from foreign corporation

1	Subpart F income	1 0.
2	Earnings invested in U.S. property	2 0.
3	Previously excluded subpart F income withdrawn from qualified investments	3 0.
4	Previously excluded export trade income withdrawn from investment in export trade assets	4 0.
5	Factoring income	5 0.
6	Total of lines 1 through 5	6
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7 0.
8	Exchange gain or (loss) on a distribution of previously taxed income	8 0.

SCHEDULE J
(Form 5471)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Information about Schedule J (Form 5471) and its instructions is at www.irs.gov/form5471.
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

Identifying number
06-0646652

YALE-NEW HAVEN HOSPITAL
Name of foreign corporation

EIN (if any)
98-1072793

Reference ID number

LUKAN INDEMNITY COMPANY LTD

Important: Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	-2,688,764.					-2,688,764.
2a Current year E&P	1,234,472.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	-1,454,292.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,454,292.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,454,292.					-1,454,292.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 5471.**

Schedule J (Form 5471) (Rev. 12-2012)

DOHP2125

212421
12-26-12

SCHEDULE M (Form 5471)
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Information about Schedule M (Form 5471) and its instructions is at www.irs.gov/form5471.
▶ Attach to Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

YALE-NEW HAVEN HOSPITAL

Identifying number

06-0646652

Name of foreign corporation

LUKAN INDEMNITY COMPANY LTD

EIN (if any)

98-1072793

Reference ID number

Important: *Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc.)					
16 Platform contribution transaction payments paid					
17 Cost sharing transaction payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instr.					
26 Amounts loaned (enter the maximum loan balance during the year) - see instr.					

Form **5471**
(Rev. December 2012)
Department of the Treasury
Internal Revenue Service

Informati . Return of U.S. Persons With espect To Certain Foreign Corporations

▶ For more information about Form 5471, see www.irs.gov/form5471

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2012 , and ending 12/31/2012

OMB No. 1545-0704

Attachment Sequence No. 121

Name of person filing this return
YALE NEW HAVEN HOSPITAL

A Identifying number
06-0646652

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)
20 YORK STREET

B Category of filer (See instructions. Check applicable box(es)):
1 (repealed) 2 [ ] 3 [X] 4 [ ] 5 [X]

City or town, state, and ZIP code
NEW HAVEN, CT 06504

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 10 %

Filer's tax year beginning , and ending

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es) Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
THE MEDICAL CENTRE INSURANCE COMPANY, LTD.
P.O. BOX HM 1760
HAMILTON, HM HX BERMUDA

b(1) Employer identification number, if any
N/A

b(2) Reference ID number (see instructions)
1978

c Country under whose laws incorporated
BERMUDA

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
6/27/1976	BERMUDA	524150	INSURANCE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States
N/A

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
N/A	N/A

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
MARSH IAS MANAGEMENT SERVICES (BERMUDA) LTD.
IAS BUILDING-WEST
44 CHURCH STREET
HAMILTON HM 12, BERMUDA

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
SAME AS ITEM 2C

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding (i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	150,000	150,000

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. **Note:** *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
SEE STATEMENT 1				

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

			Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales	1a		124,511,516
	b Returns and allowances	1b		
	c Subtract line 1b from line 1a	1c		124,511,516
	2 Cost of goods sold	2		
	3 Gross profit (subtract line 2 from line 1c)	3		124,511,516
	4 Dividends	4		10,644,458
	5 Interest	5		13,458,481
	6 a Gross rents	6a		
	b Gross royalties and license fees	6b		
	7 Net gain or (loss) on sale of capital assets	7		43,505,531
	8 Other income (attach statement)	8		
	9 Total income (add lines 3 through 8)	9		192,119,986
Deductions	10 Compensation not deducted elsewhere	10		
	11 a Rents	11a		
	b Royalties and license fees	11b		
	12 Interest	12		2,553,270
	13 Depreciation not deducted elsewhere	13		
	14 Depletion	14		
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16 Other deductions (attach statement - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 2	16		175,722,597
	17 Total deductions (add lines 10 through 16)	17		178,275,867
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		13,844,119
	19 Extraordinary items and prior period adjustments (see instructions)	19		
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		13,844,119

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			NONE
2				
3				
4				
5				
6				
7				
8	Total ▶			NONE

Schedule F Balance Sheet

Important: *Report amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for certain foreign corporations.*

	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1	169,328,111	187,323,669
2a	Trade notes and accounts receivable	2a		
b	Less allowance for bad debts	2b	( )	( )
3	Inventories	3		
4	Other [illegible] (attach statement) SEE STATEMENT 2	4	28,960,114	3,777,605
5	[illegible] other related persons	5		
6	[illegible] (attach statement)	6		
7	Other investments (attach statement) SEE STATEMENT 2	7	1,185,769,451	1,354,442,185
8a	Buildings and other depreciable assets	8a		
b	Less accumulated depreciation	8b	( )	( )
9a	Depletable assets	9a		
b	Less accumulated depletion	9b	( )	( )
10	Land (net of any amortization)	10		
11	Intangible assets:			
a	Goodwill	11a		
b	Organization costs	11b		
c	Patents, trademarks, and other intangible assets	11c		
d	Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12	Other assets (attach statement)	12		
13	Total assets	13	1,384,077,676	1,545,543,459
	Liabilities and Shareholders' Equity			
14	Accounts payable	14	988,808	956,018
15	Other current liabilities (attach statement)	15		
16	Loans from shareholders and other related persons	16		
17	Other liabilities (attach statement) SEE STATEMENT 2	17	1,125,090,804	1,125,900,807
18	Capital stock:			
a	Preferred stock	18a		
b	Common stock	18b	150,000	150,000
19	Paid-in or capital surplus (attach reconciliation) SEE STATEMENT 2	19	393,401,417	540,245,867
20	Retained earnings	20		
21	Less cost of treasury stock	21	(135,553,353)	(121,709,233)
22	Total liabilities and shareholders' equity	22	1,384,077,676	1,545,543,459

"PUBLIC INSPECTION COPY"

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2011 or other tax year beginning OCT 1, 2011 , and ending SEP 30, 2012

OMB No. 1545-0687
2011
Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
YALE-NEW HAVEN HOSPITAL

Number, street, and room or suite no. If a P.O. box, see instructions.
20 YORK STREET

City or town, state, and ZIP code
NEW HAVEN, CT 06504

D Employer identification number (Employees' trust, see instructions.)
06-0646652

E Unrelated business activity codes (See instructions.)
621500

C Book value of all assets at end of year
2,479,697,137.

F Group exemption number (See instructions.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ OPERATIONS OF A LABORATORY DROP-OFF SERVICE

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No

If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 4

J The books are in care of ▶ VINCENT TAMMARO Telephone number ▶ 203-688-2069

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales ____ b Less returns and allowances ____ c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions; attach schedule.) STATEMENT 2	12	2,981,085.		2,981,085.
13 Total. Combine lines 3 through 12	13	2,981,085.		2,981,085.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	
20	Charitable contributions (See instructions for limitation rules.)		20	
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach schedule) SEE STATEMENT 3		28	3,372,836.
29	**Total deductions.** Add lines 14 through 28		29	3,372,836.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	-391,751.
31	Net operating loss deduction (limited to the amount on line 30)		31	0.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	-391,751.
33	Specific deduction (Generally $1,000, but see instructions for exceptions.)		33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	-391,751.

Part III Tax Computation

35	Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ▶ [X] See instructions and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ 0. (2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 ▶	35c	0.
36	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	Proxy tax. See instructions ▶	37	
38	Alternative minimum tax	38	
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b	Other credits (see instructions)	40b		
c	General business credit. Attach Form 3800	40c		
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d		
e	Total credits. Add lines 40a through 40d		40e	
41	Subtract line 40e from line 39		41	0.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)		42	
43	Total tax. Add lines 41 and 42		43	0.
44a	Payments: A 2010 overpayment credited to 2011	44a		
b	2011 estimated tax payments	44b		
c	Tax deposited with Form 8868	44c		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d		
e	Backup withholding (see instructions)	44e		
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f		
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g		
45	Total payments. Add lines 44a through 44g		45	
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]		46	
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶		47	0.
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶		48	0.
49	Enter the amount of line 48 you want: Credited to 2012 estimated tax ▶ Refunded ▶		49	

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	X
4a	Additional section 263A costs	4a					
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer 8/13/13 Date ▶ CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
CHRISTOPHER BOGGS	Christopher B. Boggs	8/13/13		P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 2600 INDIANAPOLIS, IN 46204 Phone no. 317-681-7000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations				
	7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

FOOTNOTES STATEMENT 1

NET OPERATING LOSSES CARRYOVER FROM 9/30/2002	264,078.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2003	358,483.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2004	497,299.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2005	499,149.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2006	533,771.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2007	282,822.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2008	317,233.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2009	674,948.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2010	2,211,548.
NET OPERATING LOSSES CARRYOVER FROM 9/30/2011	794,538.
NET OPERATING LOSSES AVAILABLE TO USED ON 9/30/12 TAX RETURN	6,233,849.

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
LABORATORY SERVICES	2,981,085.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	2,981,085.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
DIRECT EXPENSES	2,275,125.
INDIRECT EXPENSE	1,097,711.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	3,372,836.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 4

CORPORATION'S NAME	IDENTIFYING NO
YNH NETWORK CORPORATION	06-1513687

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0175

2011

Name: YALE-NEW HAVEN HOSPITAL

Employer identification number: 06-0646652

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction		1	-391,751.00
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	-391,751.00
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 0.00		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b: -391,751.00		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You **must** enter an amount on line 4d (even if line 4b is positive)*	4d: 0.00		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	0.00
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	-391,751.00
6	Alternative tax net operating loss deduction (see instructions)		6	
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	-391,751.00
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a:		
b	Multiply line 8a by 25% (.25)	8b:		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	0.00
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	
10	Multiply line 9 by 20% (.20)		10	
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	
12	Tentative minimum tax. Subtract line 11 from line 10		12	
13	Regular tax liability before applying all credits except the foreign tax credit		13	0.00
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	

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MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Hospital, Inc.
Address: 20 York Street New Haven, CT 06504
FEIN: 06-0646652
Taxable year ended: September 30, 2012
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets 15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	Section 55(d) AMT Exemption $40,000	$150,000	Section 38 (c)(3)(B) General Business Credit Limitation $25,000	Section 179 $500,000	Section 535(c) Accumulated Earnings Credit $150,000	Section 6655 (g)(2)(A) Large Corporation Income $1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2529464	Ogden, UT	9/30/2012	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2137

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/17/13
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	President	5/17/13
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/17/13
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/17/13
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Executive Vice President and Treasurer	5/17/13
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Salvio Capozzalo	President	5/13/13
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	5/17/13
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene J. Colucci	Senior Vice President	5/17/13

DOHP2138

"PUBLIC INSPECTION COPY"

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning OCT 1, 2012 , and ending SEP 30, 2013

OMB No. 1545-0687
2012
Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
YALE NEW HAVEN HEALTH SERVICES CORP

Number, street, and room or suite no. If a P.O. box, see instructions.
789 HOWARD AVENUE

City or town, state, and ZIP code
NEW HAVEN, CT 06519

D Employer identification number (Employees' trust, see instructions.)
22-2529464

E Unrelated business activity codes (See instructions)
621990

C Book value of all assets at end of year
418,035,060.

F Group exemption number (see instructions) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ MANAGEMENT AND ADMINISTRATIVE SERVICES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☐ Yes ☒ No

If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ VINCENT TAMMARO Telephone number ▶ 203-688-6364

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales ____ b Less returns and allowances ____ c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (see instructions; attach statement) STATEMENT 1	12	895,974.		895,974.
13 **Total.** Combine lines 3 through 12	13	895,974.		895,974.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)
(except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	167,035.
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach statement)		18	
19	Taxes and licenses		19	6,412.
20	Charitable contributions (see instructions for limitation rules) STATEMENT 4 SEE STATEMENT 2		20	8,786.
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	177,470.
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach statement) SEE STATEMENT 3		28	456,193.
29	**Total deductions.** Add lines 14 through 28		29	815,896.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	80,078.
31	Net operating loss deduction (limited to the amount on line 30)		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	80,078.
33	Specific deduction (generally $1,000, but see instructions for exceptions)		33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	79,078.

Part III Tax Computation

35	Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ [X] See instructions and: a Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 50,000. (2) $ 25,000. (3) $ 9,925,000. b Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ (2) Additional 3% tax (not more than $100,000) $ c Income tax on the amount on line 34 SEE STATEMENT 5 ▶	35c	15,137.
36	Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	Proxy tax (see instructions) ▶	37	
38	Alternative minimum tax	38	679.
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	15,816.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	Total credits. Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	15,816.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach statement)			42	
43	Total tax. Add lines 41 and 42			43	15,816.
44a	Payments: A 2011 overpayment credited to 2012	44a			
b	2012 estimated tax payments	44b	21,500.		
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	Total payments. Add lines 44a through 44g			45	21,500.
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	5,684.
49	Enter the amount of line 48 you want: Credited to 2013 estimated tax ▶ Refunded ▶			49	5,684.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6 Inventory at end of year	6	
2	Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4a	Additional section 263A costs (att. statement)	4a				
b	Other costs (attach statement)	4b				
5	Total. Add lines 1 through 4b	5				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer ▶ Date ▶ CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed / PTIN
Christopher B. Boggs	Christopher B. Boggs	08/05/14	P00032493
Firm's name ▶ ERNST & YOUNG U.S., LLP			Firm's EIN ▶ 34-6565596
Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204			Phone no. 317-681-7000

Form 990-T (2012)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	Total 0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations

	7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						0.
Totals from Part I	0.	0.				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	0.
Total. Enter here and on page 1, Part II, line 14 ▶			

Form **4626**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 4626 and its separate instructions is at www.irs.gov/form4626.

OMB No. 1545-0175

2012

Name

YALE NEW HAVEN HEALTH SERVICES CORP

Employer identification number

22-2529464

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction			1	79,078.
2	**Adjustments and preferences:**				
a	Depreciation of post-1986 property			2a	
b	Amortization of certified pollution control facilities			2b	
c	Amortization of mining exploration and development costs			2c	
d	Amortization of circulation expenditures (personal holding companies only)			2d	
e	Adjusted gain or loss			2e	
f	Long-term contracts			2f	
g	Merchant marine capital construction funds			2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)			2h	
i	Tax shelter farm activities (personal service corporations only)			2i	
j	Passive activities (closely held corporations and personal service corporations only)			2j	
k	Loss limitations			2k	
l	Depletion			2l	
m	Tax-exempt interest income from specified private activity bonds			2m	
n	Intangible drilling costs		*	2n	
o	Other adjustments and preferences			2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o			3	79,078.
4	**Adjusted current earnings (ACE) adjustment:**				
a	ACE from line 10 of the ACE worksheet in the instructions	4a	79,078.		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0.		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c			
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** You **must** enter an amount on line 4d (even if line 4b is positive)	4d			
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount			4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT			5	79,078.
6	Alternative tax net operating loss deduction (see instructions)			6	
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions			7	79,078.
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):				
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	0.		
b	Multiply line 8a by 25% (.25)	8b	0.		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-			8c	0.
9	Subtract line 8c from line 7. If zero or less, enter -0-			9	79,078.
10	Multiply line 9 by 20% (.20)			10	15,816.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)			11	
12	Tentative minimum tax. Subtract line 11 from line 10			12	15,816.
13	Regular tax liability before applying all credits except the foreign tax credit			13	15,137.
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return			14	679.

* SEE ALSO STATEMENT 6

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	79,078.
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		
b	ACE depreciation:			
	(1) Post-1993 property	2b(1)		
	(2) Post-1989, pre-1994 property	2b(2)		
	(3) Pre-1990 MACRS property	2b(3)		
	(4) Pre-1990 original ACRS property	2b(4)		
	(5) Property described in sections 168(f)(1) through (4)	2b(5)		
	(6) Other property	2b(6)		
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	79,078.

FORM 990-T OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
SYSTEM SUPPORT REVENUE	128,402.
MAMAGEMENT SERVICE REVENUE	753,913.
EMERGENCY PREPAREDNESS/OTHER REVENUE	13,659.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	895,974.

FORM 990-T CONTRIBUTIONS STATEMENT 2

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CASH ONLY	N/A	215,440.
TOTAL TO FORM 990-T, PAGE 1, LINE 20		215,440.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
MANAGEMENT FEES	369,829.
OTHER EXPENSES	86,364.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	456,193.

FORM 990-T CONTRIBUTIONS SUMMARY STATEMENT 4

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2007		
FOR TAX YEAR 2008		
FOR TAX YEAR 2009		
FOR TAX YEAR 2010		
FOR TAX YEAR 2011		
TOTAL CARRYOVER	215,440	
TOTAL CURRENT YEAR 10% CONTRIBUTIONS		
TOTAL CONTRIBUTIONS AVAILABLE	215,440	
TAXABLE INCOME LIMITATION AS ADJUSTED	8,786	
EXCESS 10% CONTRIBUTIONS	206,654	
EXCESS 100% CONTRIBUTIONS	0	
TOTAL EXCESS CONTRIBUTIONS	206,654	
ALLOWABLE CONTRIBUTIONS DEDUCTION		8,786
TOTAL CONTRIBUTION DEDUCTION		8,786

FORM 990-T TAX COMPUTATION STATEMENT 5

1.	TAXABLE INCOME	79,078	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT	50,000	
3.	LINE 1 LESS LINE 2	29,078	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT	25,000	
5.	LINE 3 LESS LINE 4	4,078	
6.	INCOME SUBJECT TO 34% TAX RATE	4,078	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	7,500	
9.	25 PERCENT OF LINE 4	6,250	
10.	34 PERCENT OF LINE 6	1,387	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX.	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C		15,137

FORM 4626 AMT CONTRIBUTIONS STATEMENT 6

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS		
FOR TAX YEAR 2007		
FOR TAX YEAR 2008		
FOR TAX YEAR 2009		
FOR TAX YEAR 2010		
FOR TAX YEAR 2011		
TOTAL CARRYOVER		215,440
CURRENT YEAR CONTRIBUTIONS		
TOTAL CONTRIBUTIONS		215,440
10% OF TAXABLE INCOME AS ADJUSTED		8,786
EXCESS CONTRIBUTIONS		206,654
ALLOWABLE CONTRIBUTIONS		8,786
AMT CHARITABLE DEDUCTION		8,786
REGULAR CONTRIBUTION DEDUCTION		8,786
AMT CONTRIBUTION ADJUSTMENT		0

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MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Network Corporation
Address: 789 Howard Avenue, New Haven, CT 06519
Taxable year ended: September 30, 2013
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets				Section 55(d) AMT Exemption		Section 38 (c)(3)(B) General Business Credit Limitation	Section 179	Section 535(c) Accumulated Earnings Credit	Section 6655 (g)(2)(A) Large Corporation Income
				15%	25%	34%	Additional 5% Tax						
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2529464	Ogden, UT	9/30/2013	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	06-1526642	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2149

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/4/14
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	Treasurer	6/6/14
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/4/14
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/4/14
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Treasurer	5/4/14
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	6/3/14
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	6/3/14
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene Colucci	SVP, CFO	5/28/14
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	Frank Corvino	President and CEO	5/29/14

DOHP2150

Form **5713**
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

International Boycott Report

For tax year beginning OCTOBER 1, 2012
and ending SEPTEMBER 30, 2013
Controlled groups, see instructions.

OMB No. 1545-0216
Attachment
Sequence No. 123
Paper filers must file in duplicate (see When and Where to File in the instructions)

Name
Yale New Haven Health Services Corporation

Identifying number
22-2529464

Number, street, and room or suite no. If a P.O. box, see instructions.
789 Howard Avenue

City or town, state, and ZIP code
New Haven, CT 06519

Address of service center where your tax return is filed
OGDEN, UT

Type of filer (check one): Individual | Partnership | X Corporation | Trust | Estate | Other 501(C)(3)

1 **Individuals** - Enter adjusted gross income from your tax return (see instructions) — N/A

2 **Partnerships and corporations:**

a Partnerships - Enter each partner's name and identifying number.

b Corporations - Enter the name and employer identification number of each member of the controlled group (as defined in section 993(a)(3)). Do not list members included in the consolidated return; instead, attach a copy of Form 851. List all other members of the controlled group not included in the consolidated return.

If you list any corporations below or if you attach Form 851, you must designate a common tax year. Enter on line 4b the name and employer identification number of the corporation whose tax year is designated.

Name and Address	FEIN
YNH Network Corporation	06-1513687
York Enterprises, Inc. & Subsidiaries	06-1110937
Yale-New Haven Hospital, Inc.	06-0646652
Yale-New Haven Ambulatory Services Corporation	06-1398526
Bridgeport Hospital	06-0646554
YNHH-MSO, Inc.	06-1467717
Greenwich Hospital Endowment Fund	06-1526642
Greenwich Hospital	06-0646659

	Code	Description
c Enter principal business activity code and description (see instructions)	561110	Office Administrative Services
d IC-DISCs - Enter principal product or service code and description (see instructions)		Administrative Services

3. **Partnerships** - Each partnership filing Form 5713 must give the following information:

a Partnership's total assets (see instructions) — N/A

b Partnership's ordinary income (see instructions)

4 **Corporations** - Each corporation filing Form 5713 must give the following information:

a Type of form filed (Form 1120, 1120-FSC, 1120-IC-DISC, 1120-L, 1120-PC, etc.) — FORM 990/990T

b Common tax year election (see instructions)

(1) Name of corporation Yale New Haven Health Services Corporation

(2) Employer identification number — 22-2529464

(3) Common tax year beginning 10/01/12 , and ending 09/30/2013

c Corporations filing this form enter:

(1) Total assets (see instructions) — $323,282,233.

(2) Taxable income before net operating loss and special deductions (see instructions) — $ 80,078

5 **Estates or trusts** - Enter total income (Form 1041, page 1)

6 Enter the total amount (before reduction for boycott participation or cooperation) of the following tax benefits (see instructions):

a Foreign tax credit

b Deferral of earnings of controlled foreign corporations

c Deferral of IC-DISC income

d FSC exempt foreign trade income

e Foreign trade income qualifying for the extraterritorial income exclusion

Please Sign Here

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature | Date | Title

DOHP2151

	Yes	No
7 a Are you a U.S. shareholder (as defined in section 951(b)) of any foreign corporation (including a FSC that does not use the administrative pricing rules) that had operations reportable under section 999(a)?		X
b If the answer to question 7a is "Yes," is any foreign corporation a controlled foreign corporation (as defined in section 957(a))?		N/A
c Do you own any stock of an IC-DISC?		X
d Do you claim any foreign tax credit?		X
e Do you control (within the meaning of section 304(c)) any corporation (other than a corporation included in this report) that has operations reportable under section 999(a)?		X
If "Yes," did that corporation participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
f Are you controlled (within the meaning of section 304(c)) by any person (other than a person included in this report) who has operations reportable under section 999(a)?		X
If "Yes," did that person participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
g Are you treated under section 671 as the owner of a trust that has reportable operations under section 999(a)?		X
h Are you a partner in a partnership that has reportable operations under section 999(a)?		X
i Are you a foreign sales corporation (FSC) (as defined in section 922(a), as in effect before its repeal)?		X
j Are you excluding extraterritorial income (defined in section 114(e)) as in effect before its repeal) from gross income?		X

Part I Operations in or Related to a Boycotting Country (See instructions)

	Yes	No
8 **Boycott of Israel** - Did you have any operations in or related to any country (or with the government, a company, or a national of that country) associated in carrying out the boycott of Israel which is on the list maintained by the Secretary of the Treasury under section 999(a)(3)? (See **Boycotting Countries** in the instructions.)	X	
If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box		

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Principal business activity Description (4)	IC-DISCs only - Enter product code (5)
a	SAUDI ARABIA	22-2529464	611000	EDUCATIONAL SERVICES	
b					
c					
d					
e					
f					
g					
h					
i					
j					
k					
l					
m					
n					
o					

	Yes	No
9 Nonlisted countries boycotting Israel - Did you have operations in any nonlisted country which you know or have reason to know requires participation in or cooperation with an international boycott directed against Israel?		X

If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box ....

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
10 Boycotts other than the boycott of Israel - Did you have operations in any other country which you know or have reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel?		X

If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box ....

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
11 Were you requested to participate in or cooperate with an international boycott? .... If "Yes," attach a copy (in English) of any and all such requests received during your tax year. If the request was in a form other than a written request, attach a separate sheet explaining the nature and form of any and all such requests. (See instructions.)		X
12 Did you participate in or cooperate with an international boycott? .... If "Yes," attach a copy (in English) of any and all boycott clauses agreed to, and attach a general statement of the agreement. If the agreement was in a form other than a written agreement, attach a separate sheet explaining the nature and form of any and all such agreements. (See instructions.)		X

Note: If the answer to either question 11 or 12 is "Yes," you must complete the rest of Form 5713. If you answered "Yes" to question 12, you must complete Schedules A and C or B and C (Form 5713).

Part II Requests for and Acts of Participation in or Cooperation With an International Boycott

	Requests		Agreements	
	Yes	No	Yes	No
13 a Did you receive requests to enter into, or did you enter into, any agreement (see instructions):				
(1) As a condition of doing business directly or indirectly within a country or with the government, a company, or a national of a country to -				
(a) Refrain from doing business with or in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(b) Refrain from doing business with any U.S. person engaged in trade in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(c) Refrain from doing business with any company whose ownership or management is made up, in whole or in part, of individuals of a particular nationality, race, or religion, or to remove (or refrain from selecting) corporate directors who are individuals of a particular nationality, race, or religion?				
(d) Refrain from employing individuals of a particular nationality, race, or religion?				
(2) As a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring products on a carrier owned, leased, or operated by a person who does not participate in or cooperate with an international boycott?				

b Requests and agreements - If the answer to any part of 13a is "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box .....

	Name of country (1)	Identifying number of person receiving the request or having the agreement (2)	Principal business activity		IC-DISCs - Enter product code (5)	Type of cooperation or participation			
						Number of requests		Number of agreements	
			Code (3)	Description (4)		Total (6)	Code (7)	Total (8)	Code (9)
a									
b									
c									
d									
e									
f									
g									
h									
i									
j									
k									
l									
m									
n									
o									
p									

"PUBLIC INSPECTION COPY"

Form **990-T** — Department of the Treasury, Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2011 or other tax year beginning OCT 1, 2011, and ending SEP 30, 2012

OMB No. 1545-0687 — **2011** — Open to Public Inspection for 501(c)(3) Organizations Only

A [ ] Check box if address changed

B Exempt under section: [X] 501(c)(3) [ ] 408(a) [ ] 220(e) [ ] 408A [ ] 530(a) [ ] 529(a)

C Book value of all assets at end of year: 441,659,828.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.): GREENWICH HOSPITAL

Number, street, and room or suite no. If a P.O. box, see instructions.: 5 PERRYRIDGE ROAD

City or town, state, and ZIP code: GREENWICH, CT 06830

D Employer identification number (Employees' trust, see instructions.): 06-0646659

E Unrelated business activity codes (See instructions.): 621500 621500

F Group exemption number (See instructions.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ OPERATION OF A LABORATORY DROP-OFF SERVICE

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ [X] Yes [ ] No

If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 4

J The books are in care of ▶ EUGENE COLUCCI — Telephone number ▶ 203-863-3000

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances	c Balance ▶ 1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See instructions, attach schedule.) STATEMENT 2	12	8,188,221.		8,188,221.
13	**Total.** Combine lines 3 through 12	13	8,188,221.		8,188,221.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)	14		
15	Salaries and wages	15		
16	Repairs and maintenance	16		
17	Bad debts	17		
18	Interest (attach schedule)	18		
19	Taxes and licenses	19		
20	Charitable contributions (See instructions for limitation rules.)	20		
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23	Depletion	23		
24	Contributions to deferred compensation plans	24		
25	Employee benefit programs	25		
26	Excess exempt expenses (Schedule I)	26		
27	Excess readership costs (Schedule J)	27		
28	Other deductions (attach schedule) SEE STATEMENT 3	28		6,739,252.
29	**Total deductions.** Add lines 14 through 28	29		6,739,252.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		1,448,969.
31	Net operating loss deduction (limited to the amount on line 30)	31		1,448,969.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		0.
33	Specific deduction (Generally $1,000, but see instructions for exceptions.)	33		1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34		0.

Part III Tax Computation

35	Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ▶ [X] See instructions and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ 0.		
	(2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 ▶	35c	0.
36	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	Proxy tax. See instructions ▶	37	
38	Alternative minimum tax	38	28,474.
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	28,474.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	Total credits. Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	28,474.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	Total tax. Add lines 41 and 42			43	28,474.
44a	Payments: A 2010 overpayment credited to 2011	44a	18,934.		
b	2011 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c	16,000.		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	Total payments. Add lines 44a through 44g			45	34,934.
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	6,460.
49	Enter the amount of line 48 you want: Credited to 2012 estimated tax ▶ 6,460. Refunded ▶			49	0.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No X
4a	Additional section 263A costs	4a					
b	Other costs (attach schedule)	4b					
5	Total. Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer 8/12/13 Date ▶ SR VP Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Christopher B. Boggs	Christopher B. Boggs	08/12/2013		P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 2600 INDIANAPOLIS, IN 46204 — Phone no. 317-280-7471

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Exempt Controlled Organizations

	1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations

	7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
	Enter here and on page 1, Part I, line 9, column (A)			Enter here and on page 1, Part I, line 9, column (B)
Totals ➤	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols. 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A)	Enter here and on page 1, Part I, line 10, col. (B)				Enter here and on page 1, Part II, line 26
Totals ➤	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ➤	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
	Enter here and on page 1, Part I, line 11, col. (A)	Enter here and on page 1, Part I, line 11, col. (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5) ➤	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ➤			0.

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0175

2011

Name: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction	1	1,448,969.00
2	**Adjustments and preferences:**		
a	Depreciation of post-1986 property	2a	
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	
o	Other adjustments and preferences	2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	1,448,969.00
4	**Adjusted current earnings (ACE) adjustment:**		
a	ACE from line 10 of the ACE worksheet in the instructions — 4a: 1,448,969.00		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions) — 4b:		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount — 4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You must enter an amount on line 4d (even if line 4b is positive)* — 4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount	4e	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	1,448,969.00
6	Alternative tax net operating loss deduction (see instructions)	6	1,304,072.00
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	144,897.00
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- — 8a: 69,897.00		
b	Multiply line 8a by 25% (.25) — 8b: 17,474.00		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8c	2,526.00
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	142,371.00
10	Multiply line 9 by 20% (.20)	10	28,474.00
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	28,474.00
13	Regular tax liability before applying all credits except the foreign tax credit	13	
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	28,474.00

Adjusted Current Earnings (ACE) Worksheet

Keep for Your Records

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626			1	1,448,969.00
2	ACE depreciation adjustment:				
a	AMT depreciation		2a		
b	ACE depreciation:				
	(1) Post-1993 property	2b(1)			
	(2) Post-1989, pre-1994 property	2b(2)			
	(3) Pre-1990 MACRS property	2b(3)			
	(4) Pre-1990 original ACRS property	2b(4)			
	(5) Property described in sections 168(f)(1) through (4)	2b(5)			
	(6) Other property	2b(6)			
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)		2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a			2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):				
a	Tax-exempt interest income		3a		
b	Death benefits from life insurance contracts		3b		
c	All other distributions from life insurance contracts (including surrenders)		3c		
d	Inside buildup of undistributed income in life insurance contracts		3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)		3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e			3f	
4	Disallowance of items not deductible from E&P:				
a	Certain dividends received		4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247		4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)		4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)		4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)		4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e			4f	
5	Other adjustments based on rules for figuring E&P:				
a	Intangible drilling costs		5a		
b	Circulation expenditures		5b		
c	Organizational expenditures		5c		
d	LIFO inventory adjustments		5d		
e	Installment sales		5e		
f	Total other E&P adjustments. Combine lines 5a through 5e			5f	
6	Disallowance of loss on exchange of debt pools			6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts			7	
8	Depletion			8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property			9	
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626			10	1,448,969.00

JSA

1X2410 2.000

GREENWICH HOSPITAL EIN # 06-0646659
NET OPERATING LOSS CARRYFORWARD
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FYE 9/30/2004:	
GENERATED NET OPERATING LOSS	2,502,511.
UTILIZED IN FYE 9/30/2011	-83,478.
UTILIZED IN FYE 9/30/2012	-1,448,969.
NOL CARRYFORWARD TO FYE 9/30/2013	970,064.
FYE 9/30/2005:	
GENERATED NET OPERATING LOSS	8,581,721.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	8,581,721.
FYE 9/30/2006:	
GENERATED NET OPERATING LOSS	364,127.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	364,127.
FYE 9/30/2007:	
GENERATED NET OPERATING LOSS	676,973.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	676,973.
TOTAL NOL CARRYFORWARD TO FYE 9/30/2013	10,592,885.

GREENWICH HOSPITAL EIN # 06-0646659
NET OPERATING LOSS CARRYFORWARD - AMT
FOR THE YEAR ENDED SEPTEMBER 30, 2012

FYE 9/30/2003:	
GENERATED NET OPERATING LOSS	2,609,749.
UTILIZED IN FYE 9/30/2010	-1,380,939.
UTILIZED IN FYE 9/30/2011	-904,927.
UTILIZED IN FYE 9/30/2012	-323,883.
NOL CARRYFORWARD TO FYE 9/30/2013	0.
FYE 9/30/2004:	
GENERATED NET OPERATING LOSS	2,502,511.
UTILIZED IN FYE 9/30/2012	-980,189.
NOL CARRYFORWARD TO FYE 9/30/2013	1,522,322.
FYE 9/30/2005:	
GENERATED NET OPERATING LOSS	8,581,721.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	8,581,721.
FYE 9/30/2007:	
GENERATED NET OPERATING LOSS	364,127.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	364,127.
FYE 9/30/2007:	
GENERATED NET OPERATING LOSS	676,973.
UTILIZED IN FYE 9/30/2012	0.
NOL CARRYFORWARD TO FYE 9/30/2013	676,973.
TOTAL NOL CARRYFORWARD TO FYE 9/30/2013	11,145,143.

FORM 990-T OTHER INCOME STATEMENT 2

DESCRIPTION	AMOUNT
OUTREACH LAB	8,188,221.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	8,188,221.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
DIRECT EXPENSES	4,540,911.
INDIRECT EXPENSES	2,198,341.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	6,739,252.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 4

CORPORATION'S NAME	IDENTIFYING NO
GREENWICH HEALTH CARE SERVICES, INC.	22-2593399

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MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election.

Name: Greenwich Hospital
Address: 5 Perryridge Road, Greenwich, CT 06830
FEIN: 06-0646659
Taxable year ended: September 30, 2012
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets 15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	Section 55(d) AMT Exemption $40,000	$150,000	Section 38 (c)(3)(B) General Business Credit Limitation $25,000	Section 179 $500,000	Section 535(c) Accumulated Earnings Credit $150,000	Section 6655 (g)(2)(A) Large Corporation Income $1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2329464	Ogden, UT	9/30/2012	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2164

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/17/13
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tindler	President	5/17/13
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/17/13
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/17/13
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Executive Vice President and Treasurer	5/17/13
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	5/17/13
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	5/17/13
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene J. Colucci	Senior Vice President	5/17/13

DOHP2165

WYNNEW

3.b. Greenwich Hospital_2013 Form 990T_PIC(2
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"PUBLIC INSPECTION COPY"

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning OCT 1, 2012 , and ending SEP 30, 2013

OMB No. 1545-0687
2012
Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

C Book value of all assets at end of year
459,079,549.

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
GREENWICH HOSPITAL

Number, street, and room or suite no. If a P.O. box, see instructions.
5 PERRYRIDGE ROAD

City or town, state, and ZIP code
GREENWICH, CT 06830

D Employer identification number (Employees' trust, see instructions.)
06-0646659

E Unrelated business activity codes (See instructions)
621500 621500

F Group exemption number (see instructions) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ OPERATION OF A LABORATORY DROP-OFF SERVICE

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No

If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 3

J The books are in care of ▶ EUGENE COLUCCI Telephone number ▶ 203-863-3000

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales ____ b Less returns and allowances ____ c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (see instructions; attach statement) STATEMENT 1	12	8,152,261.		8,152,261.
13 Total. Combine lines 3 through 12	13	8,152,261.		8,152,261.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions)
(except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)		14	
15 Salaries and wages		15	
16 Repairs and maintenance		16	
17 Bad debts		17	
18 Interest (attach statement)		18	
19 Taxes and licenses		19	
20 Charitable contributions (see instructions for limitation rules)		20	
21 Depreciation (attach Form 4562)	21	22b	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		
23 Depletion		23	
24 Contributions to deferred compensation plans		24	
25 Employee benefit programs		25	
26 Excess exempt expenses (Schedule I)		26	
27 Excess readership costs (Schedule J)		27	
28 Other deductions (attach statement) SEE STATEMENT 2		28	7,377,704.
29 **Total deductions.** Add lines 14 through 28		29	7,377,704.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	774,557.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 4		31	774,557.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	0.
33 Specific deduction (generally $1,000, but see instructions for exceptions)		33	1,000.
34 **Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	0.

Part III Tax Computation

35	**Organizations taxable as corporations** (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ 0. (2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 ▶	35c	0.
36	**Trusts taxable at trust rates** (see instructions for tax computation). Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax** (see instructions) ▶	37	
38	Alternative minimum tax	38	7,471.
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	7,471.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	7,471.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach statement)			42	
43	**Total tax.** Add lines 41 and 42			43	7,471.
44a	Payments: A 2011 overpayment credited to 2012	44a	6,460.		
b	2012 estimated tax payments	44b	1,000.		
c	Tax deposited with Form 8868	44c	28,540.		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	36,000.
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	8.
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	28,521.
49	Enter the amount of line 48 you want: **Credited to 2013 estimated tax** ▶ 28,521. **Refunded** ▶			49	0.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs (att. statement)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b	Other costs (attach statement)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

X Signature of officer | Date | SR VP Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Christopher B. Boggs	Christopher B. Boggs	08/07/14		P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204 — Phone no. 317-681-7000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation (attach statement)	3. (b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).	
Totals ▶				0.	0.
Total dividends-received deductions included in column 8 ▶					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations	7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						0.
Totals from Part I	0.	0.				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

Form 990-T (2012)

223731
01-11-13

Form **4626**
Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 4626 and its separate instructions is at www.irs.gov/form4626.

OMB No. 1545-0175

2012

Name: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction			1	773,557.
2	**Adjustments and preferences:**				
a	Depreciation of post-1986 property			2a	
b	Amortization of certified pollution control facilities			2b	
c	Amortization of mining exploration and development costs			2c	
d	Amortization of circulation expenditures (personal holding companies only)			2d	
e	Adjusted gain or loss			2e	
f	Long-term contracts			2f	
g	Merchant marine capital construction funds			2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)			2h	
i	Tax shelter farm activities (personal service corporations only)			2i	
j	Passive activities (closely held corporations and personal service corporations only)			2j	
k	Loss limitations			2k	
l	Depletion			2l	
m	Tax-exempt interest income from specified private activity bonds			2m	
n	Intangible drilling costs			2n	
o	Other adjustments and preferences			2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o			3	773,557.
4	**Adjusted current earnings (ACE) adjustment:**				
a	ACE from line 10 of the ACE worksheet in the instructions	4a	773,557.		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	0.		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c			
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** You **must** enter an amount on line 4d (even if line 4b is positive)	4d			
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount			4e	0.
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT			5	773,557.
6	Alternative tax net operating loss deduction (see instructions) STATEMENT 5			6	696,201.
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions			7	77,356.
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):				
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	0.		
b	Multiply line 8a by 25% (.25)	8b	0.		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-			8c	40,000.
9	Subtract line 8c from line 7. If zero or less, enter -0-			9	37,356.
10	Multiply line 9 by 20% (.20)			10	7,471.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)			11	
12	Tentative minimum tax. Subtract line 11 from line 10			12	7,471.
13	Regular tax liability before applying all credits except the foreign tax credit			13	
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return			14	7,471.

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	773,557.
2	ACE depreciation adjustment:			
a	AMT depreciation	2a		
b	ACE depreciation:			
	(1) Post-1993 property	2b(1)		
	(2) Post-1989, pre-1994 property	2b(2)		
	(3) Pre-1990 MACRS property	2b(3)		
	(4) Pre-1990 original ACRS property	2b(4)		
	(5) Property described in sections 168(f)(1) through (4)	2b(5)		
	(6) Other property	2b(6)		
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	773,557.

FORM 990-T OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
OUTREACH LAB	8,152,261.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	8,152,261.

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
DIRECT EXPENSES	4,976,661.
INDIRECT EXPENSES	2,401,043.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	7,377,704.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 3

CORPORATION'S NAME	IDENTIFYING NO
GREENWICH HEALTH CARE SERVICES, INC.	22-2593399

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 4

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/04	2,502,511.	1,532,447.	970,064.	970,064.
09/30/05	8,581,721.	0.	8,581,721.	8,581,721.
09/30/06	364,127.	0.	364,127.	364,127.
09/30/07	676,973.	0.	676,973.	676,973.
NOL CARRYOVER AVAILABLE THIS YEAR			10,592,885.	10,592,885.

FORM 4626 ALTERNATIVE MINIMUM TAX NOL DEDUCTION STATEMENT 5

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
09/30/03	2,609,749.	2,609,749.	0.
09/30/04	2,502,511.	980,189.	1,522,322.
09/30/05	8,581,721.	0.	8,581,721.
09/30/06	364,127.	0.	364,127.
09/30/07	676,973.	0.	676,973.
AMT NOL CARRYOVER AVAILABLE THIS YEAR			11,145,143.

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

FORM 990-T

▶ Attach to the corporation's tax return.

▶ Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

OMB No. 1545-0142

2012

Name

GREENWICH HOSPITAL

Employer identification number

06-0646659

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)	1	7,471.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
c	Credit for federal tax paid on fuels (see instructions)	2c	
d	**Total.** Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty	3	7,471.
4	Enter the tax shown on the corporation's 2011 income tax return (see instructions). **Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5**	4	28,474.
5	**Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	7,471.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6 ☐ The corporation is using the adjusted seasonal installment method.

7 ☐ The corporation is using the annualized income installment method.

8 ☐ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (**Form 990-PF filers:** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	01/15/13	03/15/13	06/15/13	09/15/13
10	**Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	1,868.	1,868.	1,867.	1,868.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	6,460.			
	Complete lines 12 through 18 of one column before going to the next column.				
12	Enter amount, if any, from line 18 of the preceding column		4,592.	2,724.	857.
13	Add lines 11 and 12		4,592.	2,724.	857.
14	Add amounts on lines 16 and 17 of the preceding column				
15	Subtract line 14 from line 13. If zero or less, enter -0-	6,460.	4,592.	2,724.	857.
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		0.	0.	
17	**Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18				1,011.
18	**Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	4,592.	2,724.	857.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). **(Form 990-PF and Form 990-T filers:** Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2012 and before 7/1/2012	21				
22 Underpayment on line 17 x Number of days on line 21 / 366 x 3%	22	$	$	$	$
23 Number of days on line 20 after 06/30/2012 and before 10/1/2012	23				
24 Underpayment on line 17 x Number of days on line 23 / 366 x 3%	24	$	$	$	$
25 Number of days on line 20 after 9/30/2012 and before 1/1/2013	25				
26 Underpayment on line 17 x Number of days on line 25 / 366 x 3%	26	$	$	$	$
27 Number of days on line 20 after 12/31/2012 and before 4/1/2013	27	SEE ATTACHED WORKSHEET			
28 Underpayment on line 17 x Number of days on line 27 / 365 x 3%	28	$	$	$	$
29 Number of days on line 20 after 3/31/2013 and before 7/1/2013	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30	$	$	$	$
31 Number of days on line 20 after 6/30/2013 and before 10/01/2013	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32	$	$	$	$
33 Number of days on line 20 after 9/30/2013 and before 1/1/2014	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34	$	$	$	$
35 Number of days on line 20 after 12/31/2013 and before 2/16/2014	35				
36 Underpayment on line 17 x Number of days on line 35 / 365 x *%	36	$	$	$	$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	$	$	$	$

38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns ..... 38 $ 8.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov.** You can also call 1-800-829-4933 to get interest rate information.

FORM 990-T
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s)	Identifying Number
GREENWICH HOSPITAL	06-0646659

(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
01/15/13	1,868.	1,868.			
01/15/13	-6,460.	-4,592.			
03/15/13	1,868.	-2,724.			
06/15/13	1,867.	-857.			
09/15/13	1,868.	1,011.	91	.000082192	8.
12/15/13	-1,000.	11.	62	.000082192	
					8.

Penalty Due (Sum of Column F). ..... 8.

* Date of estimated tax payment, withholding credit date or installment due date.

Form **8827**

Department of the Treasury
Internal Revenue Service

Credit for Prior Year Minimum Tax - Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 8827 and its instructions is available at www.irs.gov/form8827.

OMB No. 1545-1257

2012

Name

GREENWICH HOSPITAL

Employer identification number

06-0646659

1 Alternative minimum tax (AMT) for 2011. Enter the amount from line 14 of the 2011 Form 4626	1	28,474.
2 Minimum tax credit carryforward from 2011. Enter the amount from line 9 of the 2011 Form 8827	2	
3 Enter any 2011 unallowed qualified electric vehicle credit (see instructions)	3	
4 Add lines 1, 2, and 3	4	28,474.
5 Enter the corporation's 2012 regular income tax liability minus allowable tax credits (see instructions)	5	0.
6 Is the corporation a "small corporation" exempt from the AMT for 2012 (see instructions)? • **Yes.** Enter 25% of the excess of line 5 over $25,000. If line 5 is $25,000 or less, enter -0- • **No.** Complete Form 4626 for 2012 and enter the tentative minimum tax from line 12	6	7,471.
7a Subtract line 6 from line 5. If zero or less, enter -0-	7a	0.
b For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	7b	
c Add lines 7a and 7b	7c	
8a Enter the **smaller** of line 4 or line 7c. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	8a	
b **Current year minimum tax credit.** Enter the smaller of line 4 or line 7a here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 7b, go to line 8c. Otherwise, skip line 8c	8b	0.
c Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	8c	
9 **Minimum tax credit carryforward to 2013.** Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	9	28,474.

G:\Tax\Administration\Controlled Election\2013\Misc Controlled Election09302013\Misc Controlled Election09302013

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Network Corporation
Address: 789 Howard Avenue, New Haven, CT 06519
Taxable year ended: September 30, 2013
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2013

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets				Section 55(d) AMT Exemption		Section 38 (c)(3)(B) General Business Credit Limitation	Section 179	Section 535(c) Accumulated Earnings Credit	Section 6655 (g)(2)(A) Large Corporation Income
				15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2329464	Ogden, UT	9/30/2013	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2013	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	06-1526642	Ogden, UT	9/30/2013	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2179

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/4/14
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	Treasurer	6/6/14
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/4/14
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/4/14
Yale New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Treasurer	5/4/14
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	6/3/14
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	6/3/14
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene Colucci	SVP, CFO	5/28/14
Greenwich Hospital Endowment Fund 5 Perryridge Road Greenwich, CT 06830	Frank Corvino	President and CEO	5/29/14

DOHP2180

Form **5713**
Rev. December 2010)
Department of the Treasury
Internal Revenue Service

International Boycott Report

For tax year beginning OCTOBER 1, 2012
and ending SEPTEMBER 30, 2013
Controlled groups, see instructions.

OMB No. 1545-0216
Attachment
Sequence No. 123
Paper filers must file in duplicate (see When and Where to File in the instructions)

Name
GREENWICH HOSPITAL

Identifying number
06-0646659

Number, street, and room or suite no. If a P.O. box, see instructions.
5 PERRYRIDGE ROAD

City or town, state, and ZIP code
GREENWICH, CT, 06830

Address of service center where your tax return is filed
OGDEN, UT

Type of filer (check one): Individual | Partnership | X Corporation | Trust | Estate | Other -501(C)(3)

1 **Individuals** - Enter adjusted gross income from your tax return (see instructions)

2 **Partnerships and corporations:**

a Partnerships - Enter each partner's name and identifying number.

b Corporations - Enter the name and employer identification number of each member of the controlled group (as defined in section 993(a)(3)). Do not list members included in the consolidated return; instead, attach a copy of Form 851. List all other members of the controlled group not included in the consolidated return.

If you list any corporations below or if you attach Form 851, you must designate a common tax year. Enter on line 4b the name and employer identification number of the corporation whose tax year is designated.

Name and Address	FEIN
YNH Network Corporation	06-1513687
York Enterprises, Inc. & Subsidiaries	06-1110937
Greenwich Hospital Endowment Fund	06-1526642
Yale-New Haven Ambulatory Services Corporation	06-1398526
Yale New Haven Health Services Corporation	22-2529464
YNHH-MSO, Inc.	06-1467717
Bridgeport Hospital	06-0646554
Yale-New Haven Hospital	06-0646652

	Code	Description
c Enter principal business activity code and description (see instructions)	622000	HOSPITAL
d IC-DISCs - Enter principal product or service code and description (see instructions)		SURGICAL, MEDICAL SERVICE

3. **Partnerships** - Each partnership filing Form 5713 must give the following information:

a Partnership's total assets (see instructions)

b Partnership's ordinary income (see instructions)

4 **Corporations** - Each corporation filing Form 5713 must give the following information:

a Type of form filed (Form 1120, 1120-FSC, 1120-IC-DISC, 1120-L, 1120-PC, etc.) FORM 990/990T

b Common tax year election (see instructions)

(1) Name of corporation GREENWICH HOSPITAL

(2) Employer identification number 06-0646652

(3) Common tax year beginning 10/01/12 , and ending 09/30/2013

c Corporations filing this form enter:

(1) Total assets (see instructions) 459,079,549

(2) Taxable income before net operating loss and special deductions (see instructions) 0

5 **Estates or trusts** - Enter total income (Form 1041, page 1)

6 Enter the total amount (before reduction for boycott participation or cooperation) of the following tax benefits (see instructions):

a Foreign tax credit

b Deferral of earnings of controlled foreign corporations

c Deferral of IC-DISC income

d FSC exempt foreign trade income

e Foreign trade income qualifying for the extraterritorial income exclusion

Please Sign Here

Under penalties of perjury, I declare that I have examined this report, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature | Date | Title

	Yes	No
7 a Are you a U.S. shareholder (as defined in section 951(b)) of any foreign corporation (including a FSC that does not use the administrative pricing rules) that had operations reportable under section 999(a)?		X
b If the answer to question 7a is "Yes," is any foreign corporation a controlled foreign corporation (as defined in section 957(a))?		N/A
c Do you own any stock of an IC-DISC?		X
d Do you claim any foreign tax credit?		X
e Do you control (within the meaning of section 304(c)) any corporation (other than a corporation included in this report) that has operations reportable under section 999(a)?		X
If "Yes," did that corporation participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
f Are you controlled (within the meaning of section 304(c)) by any person (other than a person included in this report) who has operations reportable under section 999(a)?		X
If "Yes," did that person participate in or cooperate with an international boycott at any time during its tax year that ends with or within your tax year?		N/A
g Are you treated under section 671 as the owner of a trust that has reportable operations under section 999(a)?		X
h Are you a partner in a partnership that has reportable operations under section 999(a)?		X
i Are you a foreign sales corporation (FSC) (as defined in section 922(a), as in effect before its repeal)?		X
j Are you excluding extraterritorial income (defined in section 114(e)) as in effect before its repeal) from gross income?		X

Part I **Operations in or Related to a Boycotting Country** (See instructions)

	Yes	No
8 **Boycott of Israel** - Did you have any operations in or related to any country (or with the government, a company, or a national of that country) associated in carrying out the boycott of Israel which is on the list maintained by the Secretary of the Treasury under section 999(a)(3)? (See **Boycotting Countries** in the instructions.)	X	
If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box		

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Principal business activity Description (4)	IC-DISCs only - Enter product code (5)
a	SAUDI ARABIA	22-2529464	611000	EDUCATIONAL SERVICES	
b					
c					
d					
e					
f					
g					
h					
i					
j					
k					
l					
m					
n					
o					

	Yes	No
9 **Nonlisted countries boycotting Israel -** Did you have operations in any nonlisted country which you know or have reason to know requires participation in or cooperation with an international boycott directed against Israel? If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box		X

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
10 **Boycotts other than the boycott of Israel -** Did you have operations in any other country which you know or have reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel? If "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box		X

	Name of country (1)	Identifying number of person having operations (2)	Principal business activity Code (3)	Description (4)	IC-DISCs only - Enter product code (5)
a					
b					
c					
d					
e					
f					
g					
h					

	Yes	No
11 Were you requested to participate in or cooperate with an international boycott? If "Yes," attach a copy (in English) of any and all such requests received during your tax year. If the request was in a form other than a written request, attach a separate sheet explaining the nature and form of any and all such requests. (See instructions.)		X
12 Did you participate in or cooperate with an international boycott? If "Yes," attach a copy (in English) of any and all boycott clauses agreed to, and attach a general statement of the agreement. If the agreement was in a form other than a written agreement, attach a separate sheet explaining the nature and form of any and all such agreements. (See instructions.)		X

Note: If the answer to either question 11 or 12 is "Yes," you must complete the rest of Form 5713. If you answered "Yes" to question 12, you must complete Schedules A and C or B and C (Form 5713).

Part II Requests for and Acts of Participation in or Cooperation With an International Boycott	Requests		Agreements	
	Yes	No	Yes	No
13 a Did you receive requests to enter into, or did you enter into, any agreement (see instructions):				
(1) As a condition of doing business directly or indirectly within a country or with the government, a company, or a national of a country to -				
(a) Refrain from doing business with or in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(b) Refrain from doing business with any U.S. person engaged in trade in a country which is the object of an international boycott or with the government, companies, or nationals of that country?				
(c) Refrain from doing business with any company whose ownership or management is made up, in whole or in part, of individuals of a particular nationality, race, or religion, or to remove (or refrain from selecting) corporate directors who are individuals of a particular nationality, race, or religion?				
(d) Refrain from employing individuals of a particular nationality, race, or religion?				
(2) As a condition of the sale of a product to the government, a company, or a national of a country, to refrain from shipping or insuring products on a carrier owned, leased, or operated by a person who does not participate in or cooperate with an international boycott?				

b **Requests and agreements** - If the answer to any part of 13a is "Yes," complete the following table. If more space is needed, attach additional sheets using the exact format and check this box .....

	Name of country (1)	Identifying number of person receiving the request or having the agreement (2)	Principal business activity		IC-DISCs -- Enter product code (5)	Type of cooperation or participation			
						Number of requests		Number of agreements	
			Code (3)	Description (4)		Total (6)	Code (7)	Total (8)	Code (9)
a									
b									
c									
d									
e									
f									
g									
h									
i									
j									
k									
l									
m									
n									
o									
p									

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2011 or other tax year beginning OCT 1, 2011 , and ending SEP 30, 2012

OMB No. 1545-0687
2011
Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
YALE NEW HAVEN HEALTH SERVICES CORP

Number, street, and room or suite no. If a P.O. box, see instructions.
789 HOWARD AVENUE

City or town, state, and ZIP code
NEW HAVEN, CT 06519

D Employer identification number (Employees' trust, see instructions.)
22-2529464

E Unrelated business activity codes (See instructions.)
621990

C Book value of all assets at end of year
309,188,310.

F Group exemption number (See instructions.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ MANAGEMENT AND ADMINISTRATIVE SERVICES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☐ Yes ☒ No

If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ VINCENT TAMMARO Telephone number ▶ 203-688-6088

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales _____ b Less returns and allowances _____ c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions; attach schedule.) STATEMENT 1	12	671,633.		671,633.
13 **Total.** Combine lines 3 through 12	13	671,633.		671,633.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19	4,476.	
20 Charitable contributions (See instructions for limitation rules.)	20		
21 Depreciation (attach Form 4562) 21			
22 Less depreciation claimed on Schedule A and elsewhere on return 22a	22b		
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule) SEE STATEMENT 2	28	610,952.	
29 **Total deductions.** Add lines 14 through 28	29	615,428.	
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	56,205.	
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	56,205.	
33 Specific deduction (Generally $1,000, but see instructions for exceptions.)	33	1,000.	
34 **Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	55,205.	

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions and:**		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 50,000. (2) $ 25,000. (3) $ 9,925,000.		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $ 0.		
	(2) Additional 3% tax (not more than $100,000) $ 0.		
c	Income tax on the amount on line 34 SEE STATEMENT 3 ▶	35c	8,801.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	8,801.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	8,801.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	8,801.
44a	Payments: A 2010 overpayment credited to 2011	44a	12,736.		
b	2011 estimated tax payments	44b	3,000.		
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	15,736.
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ [ ]			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	6,935.
49	Enter the amount of line 48 you want: **Credited to 2012 estimated tax** ▶ **Refunded** ▶			49	6,935.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

		Yes	No
1	At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b	Other costs (attach schedule)	4b					X
5	Total. Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | 8/13/13 Date | ▶ CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Christopher B. Boggs	Christopher B. Boggs	8/13/13		P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 2600 INDIANAPOLIS, IN 46204 — Phone no. 317-681-7000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total	0.	Total 0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

	1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				0.	0.

Total dividends-received deductions included in column 8 ▶ 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

	1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations 3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations

	7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A). 0.			Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.				Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 5 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 5 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

FORM 990-T OTHER INCOME STATEMENT 1

DESCRIPTION	AMOUNT
SYSTEM SUPPORT REVENUE	71,479.
MAMAGEMENT SERVICE REVENUE	576,154.
EMERGENCY PREPAREDNESS/OTHER REVENUE	24,000.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	671,633.

FORM 990-T OTHER DEDUCTIONS STATEMENT 2

DESCRIPTION	AMOUNT
MANAGEMENT FEES	586,051.
OTHER EXPENSES	24,901.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	610,952.

FORM 990-T TAX COMPUTATION STATEMENT 3

1.	TAXABLE INCOME	55,205	
2.	LESSER OF LINE 1 OR FIRST BRACKET AMOUNT	50,000	
3.	LINE 1 LESS LINE 2	5,205	
4.	LESSER OF LINE 3 OR SECOND BRACKET AMOUNT	5,205	
5.	LINE 3 LESS LINE 4	0	
6.	INCOME SUBJECT TO 34% TAX RATE	0	
7.	INCOME SUBJECT TO 35% TAX RATE	0	
8.	15 PERCENT OF LINE 2	7,500	
9.	25 PERCENT OF LINE 4	1,301	
10.	34 PERCENT OF LINE 6	0	
11.	35 PERCENT OF LINE 7	0	
12.	ADDITIONAL 5% SURTAX.	0	
13.	ADDITIONAL 3% SURTAX	0	
14.	TOTAL OF LINES 8 THROUGH 13 TO FORM 990-T, PAGE 2, LINE 35C		8,801

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MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Corporation filing original consent and/or election:

Name: Yale-New Haven Health Services Corporation
Address: 789 Howard Avenue, New Haven, CT 06519
FEIN: 22-2529464
Taxable year ended: September 30, 2012
Service center where original filed: Ogden

The following component members of a controlled group of corporations hereby consent under Sections 1561(a)(1), 1561(a)(3), and 1561(a)(4) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

The following component members of a controlled group of corporations as defined in Section 179(d)(7), hereby consent under Section 179(d)(6) to the following apportionment plan regarding the taxable year of each corporation which includes September 30, 2012

Name and Address	FEIN	Return Filed In	Taxable Year Ended	Section 11(b) Income Tax Brackets 15% $50,000	25% $25,000	34% $9,925,000	Additional 5% Tax $11,750	Section 55(d) AMT Exemption $40,000	$150,000	Section 38 (c)(3)(B) General Business Credit Limitation $25,000	Section 179 $500,000	Section 535(c) Accumulated Earnings Credit $150,000	Section 6655 (g)(2)(A) Large Corporation Income $1,000,000
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	06-1513687	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
York Enterprises, Inc & Subsidiaries 50 York Street New Haven, CT 06504	06-1110937	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Hospital, Inc 20 York Street New Haven, CT 06504	06-0646652	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	06-1398526	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$500,000	$0	$0
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	22-2529464	Ogden, UT	9/30/2012	$50,000	$25,000	$9,925,000	$11,750	$0	$0	$25,000	$0	$150,000	$1,000,000
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	06-1467717	Cincinnati, OH	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	06-0646554	Ogden, UT	9/30/2012	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	06-0646659	Ogden, UT	9/30/2012	$0	$0	$0	$0	$20,000	$75,000	$0	$0	$0	$0
				$50,000	$25,000	$9,925,000	$11,750	$40,000	$150,000	$25,000	$500,000	$150,000	$1,000,000

DOHP2191

MASTER ELECTION AND/OR APPORTIONMENT SCHEDULE FOR CONTROLLED GROUP OF CORPORATIONS

Name and Address	Authorized Signature	Title	Date
YNH Network Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Senior Vice President and Treasurer	5/17/13
York Enterprises, Inc. & Subsidiaries 50 York Street New Haven, CT 06504	Keith Tandler	President	5/17/13
Yale-New Haven Hospital, Inc. 20 York Street New Haven, CT 06504	James Staten	Senior Vice President and Treasurer	5/17/13
Yale-New Haven Ambulatory Services Corporation 40 Temple Street New Haven, CT 06510	James Staten	Treasurer	5/17/13
Yale-New Haven Health Services Corporation 789 Howard Avenue New Haven, CT 06519	James Staten	Executive Vice President and Treasurer	5/17/13
YNHH-MSO, Inc. 789 Howard Avenue New Haven, CT 06519	Gayle Capozzalo	President	5/17/13
Bridgeport Hospital 267 Grant Street Bridgeport, CT 06610	Patrick McCabe	SVP, CFO, and Treasurer	5/17/13
Greenwich Hospital 5 Perryridge Road Greenwich, CT 06830	Eugene J. Colucci	Senior Vice President	5/17/13

DOHP2192

Bridgeport Hospital

** PUBLIC DISCLOSURE COPY **

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning OCT 1, 2013 and ending SEP 30, 2014

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization: BRIDGEPORT HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 267 GRANT STREET

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: BRIDGEPORT, CT 06610

D Employer identification number: 06-0646554

E Telephone number: 203-688-6679

G Gross receipts $: 472,294,948.

F Name and address of principal officer: PATRICK MCCABE
267 GRANT ST, BRIDGEPORT, CT 06610

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BRIDGEPORTHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1878

M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	8
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	2949
6	Total number of volunteers (estimate if necessary)	286
7a	Total unrelated business revenue from Part VIII, column (C), line 12	664,644.
7b	Net unrelated business taxable income from Form 990-T, line 34	-276,989.

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	3,168,483.	3,303,523.
	9 Program service revenue (Part VIII, line 2g)	418,827,196.	439,374,962.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,109,678.	848,999.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	19,795,595.	19,984,117.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	442,900,952.	463,511,601.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	25,000.	55,000.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	200,565,110.	208,728,562.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	212,005,256.	221,199,064.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	412,595,366.	429,982,626.
	19 Revenue less expenses. Subtract line 18 from line 12	30,305,586.	33,528,975.

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	437,250,967.	472,575,330.
	21 Total liabilities (Part X, line 26)	264,449,007.	316,742,498.
	22 Net assets or fund balances. Subtract line 21 from line 20	172,801,960.	155,832,832.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ PATRICK MCCABE, SR. VP,CFO & TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: CHRISTOPHER B. BOGGS	Preparer's signature: Christopher B. Boggs	Date: 8-17-15	Check ☐ if self-employed	PTIN: P00032493
Firm's name ▶ ERNST & YOUNG U.S., LLP			Firm's EIN ▶	34-6565596
Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204			Phone no.	317-681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:
TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT FOR THE CARE AND TREATMENT OF PERSONS SUFFERING FROM DISEASE OR OTHER PHYSICAL OR MENTAL CONDITIONS WITHOUT REGARD TO RACE, COLOR, CREED, SEX, AGE OR ABILITY TO PAY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 350,027,465. including grants of $ 55,000.) (Revenue $ 454,879,576.)
SCHEDULE O

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 350,027,465.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	772		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2949		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 17		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

KEITH TANDLER - 203-688-9642
789 HOWARD AVENUE, NEW HAVEN, CT 06519

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MEREDITH REUBEN	1.00									
CHAIRMAN/DIRECTOR	3.00	X		X				0.	0.	0.
(2) PETER HURST	1.00									
VICE CHAIRMAN/DIRECTOR	2.00	X		X				0.	0.	0.
(3) GEORGE CARTER	1.00									
VICE CHAIRMAN/DIRECTOR	2.00	X		X				0.	0.	0.
(4) RICHARD HOYT	1.00									
VICE CHAIRMAN/DIRECTOR	2.00	X		X				0.	0.	0.
(5) HOWARD TAUBIN	1.00									
VICE CHAIRMAN/DIRECTOR	2.00	X		X				0.	0.	0.
(6) NEWMAN MARSILIUS, III	1.00									
VICE CHAIRMAN/DIRECTOR	3.00	X		X				0.	0.	0.
(7) WILLIAM JENNINGS	26.00									
PRESIDENT & CEO/DIRECTOR	14.00	X		X				640,997.	345,152.	306,936.
(8) GAYLE CAPOZZALO	4.00									
DIRECTOR	36.00	X						130,774.	1,176,960.	189,699.
(9) JOHN FALCONI	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(10) RUSSELL FUCHS	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(11) THOMAS LENCI	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(12) MICK MAURER	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(13) STEPHEN MARSHALKO	1.00									
DIRECTOR	2.00	X						154,212.	0.	0.
(14) FRED MCKINNEY	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(15) RONALD NOREN	1.00									
DIRECTOR	3.00	X						0.	0.	0.
(15) DUNCAN O'BRIEN	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(17) PETER TORTORA (THRU 12/13)	1.00									
DIRECTOR	2.00	X						31,250.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) GARY ZIMMERMAN	1.00									
DIRECTOR	2.00	X						28,800.	0.	0.
(19) MICHAEL IVY	38.00									
SR. VP MEDICAL AFFAIRS	2.00			X				465,819.	0.	61,055.
(20) MARYELLEN KOSTURKO	39.00									
SR. VP PATIENT CARE OPERATIONS	1.00			X				339,296.	0.	36,156.
(21) CAROLYN SALSGIVER	39.00									
SR. VP STRATEGY & BUSINESS PLANNING	1.00			X				352,320.	0.	141,938.
(22) MELISSA TURNER	20.00									
SR. VP HUMAN RESOURCE	20.00			X				177,137.	177,138.	123,712.
(23) PATRICK MCCABE	18.00									
SR. VP, CFO & TREASURER	22.00			X				292,286.	357,238.	218,262.
(24) MARC BRUNETTI	39.00									
VP OF SUPPORT OPERATIONS	1.00			X				252,592.	0.	65,678.
(25) RYAN O'CONNELL	39.00									
VP OF PERFORMANCE & RISK MGMT	1.00			X				313,453.	0.	62,279.
(26) PATRICK SCHMINCKE (THRU 6/2014)	39.00									
VP OF CLINICAL ADMINISTRATION	1.00			X				248,859.	0.	46,862.
1b Sub-total								3,427,795.	2,056,488.	1,252,577.
c Total from continuation sheets to Part VII, Section A								3,349,964.	397,196.	644,008.
d Total (add lines 1b and 1c)								6,777,759.	2,453,684.	1,896,585.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 298

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
SHEPLEY BULFINCH RICHARDSON 2 SEAPORT LN, BOSTON, MA 02210	ARCHITECTURE SERVICE	2,628,610.
SECURITAS SECURITY SERVICES PO BOX 409412, ATLANTA, GA 30384	SECURITY	2,503,673.
UNITEX TEXTILE RENTAL, 155 SOUTH TERRACE AVE, MOUNT VERNON, NY 10550	LAUNDRY/SERVICE	2,326,463.
NOVAMED 30 NUTMEG DRIVE, TRUMBULL, CT 06611	BIOMEDICAL SVC	1,840,053.
NURSEFINDERS INC PO BOX 910738, DALLAS, TX 75391-0738	MEDICAL SERVICE	1,346,031.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 87

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) JOHN SKELLY	39.00									
VP OF FINANCE	1.00			X				578,095.	0.	187,263.
(28) NORMAN ROTH	32.00									
EXECTIVE VP,COO & SEC.	8.00			X				585,323.	146,331.	205,334.
(29) ROCKMAN FERRIGNO	40.00									
PHYSICIAN	0.00					X		432,028.	0.	40,726.
(30) JONATHAN MAISEL	40.00									
PHYSICIAN	0.00					X		420,359.	0.	50,877.
(31) GUILLERMO KATIGBAK	40.00									
PHYSICIAN	0.00					X		359,586.	0.	44,740.
(32) THOMAS LAMONTE	40.00									
PHYSICIAN	0.00					X		362,843.	0.	50,862.
(33) JUSTIN CAHILL	40.00									
PHYSICIAN	0.00					X		344,023.	0.	29,683.
(34) JOSEPH JANELL (THRU 1/2012)	0.00									
FORMER OFFICER	0.00						X	267,707.	0.	0.
(35) ROBERT TREFRY (THRU 9/2010)	0.00									
FORMER OFFICER	0.00						X	0.	0.	0.
(36) BRUCE MCDONALD (THRU 10/2013)	0.00									
FORMER OFFICER	0.00						X	0.	250,865.	34,523.
Total to Part VII, Section A, line 1c								3,349,964.	397,196.	644,008.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	3,303,523.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f: $					
	h	**Total.** Add lines 1a-1f		3,303,523.			
Program Service Revenue			Business Code				
	2a	INPATIENT REVENUE	621990	250,944,779.	250,944,779.		
	b	OUTPATIENT REVENUE	621990	187,765,539.	187,765,539.		
	c	LABORATORY SERVICES	621500	556,464.		556,464.	
	d	RESEARCH SERVICES	541700	88,822.		88,822.	
	e	RADIOLOGY SERVICES	621500	19,358.		19,358.	
	f	All other program service revenue					
	g	**Total.** Add lines 2a-2f		439,374,962.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		660,844.			660,844.
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	1,170,360.				
	b	Less: rental expenses	887,523.				
	c	Rental income or (loss)	282,837.				
	d	Net rental income or (loss)			282,837.		282,837.
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	8,033,979.	50,000.			
	b	Less: cost or other basis and sales expenses	7,895,824.	0.			
	c	Gain or (loss)	138,155.	50,000.			
	d	Net gain or (loss)			188,155.		188,155.
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	PEDIATRIC ANCILLARY REVENUE	900099	9,325,833.	9,325,833.		
	b	IT MEANINGFUL USE	900099	3,003,754.	3,003,754.		
	c	TUITION REVENUE	900099	2,133,211.	2,133,211.		
	d	All other revenue	900099	5,238,482.	1,706,460.		3,532,022.
	e	**Total.** Add lines 11a-11d		19,701,280.			
	12	**Total revenue.** See instructions.		463,511,601.	454,879,576.	664,644.	4,663,858.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	55,000.	55,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,761,991.		5,761,991.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	155,134,078.	117,565,573.	37,568,505.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,489,035.	1,116,776.	372,259.	
9 Other employee benefits	35,580,745.	28,483,480.	7,097,265.	
10 Payroll taxes	10,762,713.	8,572,210.	2,190,503.	
11 Fees for services (non-employees):				
a Management				
b Legal	948,577.	755,516.	193,061.	
c Accounting	412,432.	328,491.	83,941.	
d Lobbying	137,349.	137,349.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	100,856,333.	88,449,473.	12,406,860.	
12 Advertising and promotion				
13 Office expenses	6,512,487.	5,186,086.	1,326,401.	
14 Information technology				
15 Royalties				
16 Occupancy	19,910,102.	15,864,929.	4,045,173.	
17 Travel	606,795.	473,300.	133,495.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	2,566,341.	2,044,021.	522,320.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	30,957,115.	24,455,175.	6,501,940.	
23 Insurance	480,350.	324,563.	155,787.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	50,108,469.	50,108,469.		
b YNHHS SYSTEM SUPPORT FE	5,161,233.	4,110,783.	1,050,450.	
c OTHER MISC EXPENSES	812,696.	619,336.	193,360.	
d DUES, FEES AND MEMBERSH	635,783.	506,384.	129,399.	
e All other expenses	1,093,002.	870,551.	222,451.	
25 **Total functional expenses.** Add lines 1 through 24e	429,982,626.	350,027,465.	79,955,161.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	8,000.	1	8,000.
	2	Savings and temporary cash investments	30,118,829.	2	28,518,791.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	51,432,238.	4	49,731,677.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	4,271,378.	8	4,338,167.
	9	Prepaid expenses and deferred charges	34,947,061.	9	35,269,493.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 468,817,330.			
	b	Less: accumulated depreciation — 10b: 303,677,123.	142,707,760.	10c	165,140,207.
	11	Investments - publicly traded securities	24,738,696.	11	31,752,120.
	12	Investments - other securities. See Part IV, line 11	29,927,000.	12	35,342,449.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets	17,217,110.	14	17,217,110.
	15	Other assets. See Part IV, line 11	101,882,895.	15	105,257,316.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	437,250,967.	16	472,575,330.
Liabilities	17	Accounts payable and accrued expenses	48,244,843.	17	43,752,248.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	37,740,706.	20	35,022,422.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	18,666,198.	23	33,855,563.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	159,797,260.	25	204,112,265.
	26	**Total liabilities.** Add lines 17 through 25	264,449,007.	26	316,742,498.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	123,039,209.	27	100,810,892.
	28	Temporarily restricted net assets	28,974,601.	28	33,279,300.
	29	Permanently restricted net assets	20,788,150.	29	21,742,640.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	172,801,960.	33	155,832,832.
	34	Total liabilities and net assets/fund balances	437,250,967.	34	472,575,330.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	463,511,601.
2	Total expenses (must equal Part IX, column (A), line 25)	2	429,982,626.
3	Revenue less expenses. Subtract line 2 from line 1	3	33,528,975.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	172,801,960.
5	Net unrealized gains (losses) on investments	5	2,718,391.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	3,058,170.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-56,274,664.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	155,832,832.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII [ ]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: [ ] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
	If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis			
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

** PUBLIC DISCLOSURE COPY **

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990 .

OMB No. 1545-0047

2013

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year ..... ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 504,962.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2		$ 192,215.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
3		$ 1,610,509.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4		$ 995,837.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ▶ $
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	0.
d Mailings to members, legislators, or the public?	X		500.
e Publications, or published or broadcast statements?		X	0.
f Grants to other organizations for lobbying purposes?		X	0.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		69,700.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	0.
i Other activities?	X		67,149.
j Total. Add lines 1c through 1i			137,349.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (**do not include amounts of political expenses for which the section 527(f) tax was paid**).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE AMOUNT REPORTED IN "OTHER ACTIVITIES" REPRESENTS A PORTION OF PROFESSIONAL DUES ATTRIBUTABLE TO LOBBYING DURING 2014.

ALSO, THE HEALTH SYSTEM OFFICIALS HAD MEETINGS AND CONTACTS WITH STATE GOVERNMENT OFFICIALS, INCLUDING STATE LEGISLATORS AND THEIR STAFF TO DISCUSS VARIOUS HEALTH CARE REFORM PROPOSALS. BRIDGEPORT HOSPITAL HAS

Part IV Supplemental Information *(continued)*

CERTAIN STAFF MEMBERS THAT LOBBY ON BEHALF OF THE HOSPITAL ON VARIOUS HEALTHCARE ISSUES.

BRIDGEPORT HOSPITAL IS PART OF A CONTROLLED GROUP WITH THE FOLLOWING LOBBYING EXPENSES:

YALE NEW HAVEN HOSPITAL	EIN 06-0646652	$ 636,959
GREENWICH HOSPITAL	EIN 06-0646659	$ 106,619

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	41,860,000.	37,606,000.	34,442,000.	32,083,000.	26,634,000.
b	Contributions	2,176,000.	3,504,000.	874,000.	1,805,000.	5,076,000.
c	Net investment earnings, gains, and losses	2,969,000.	2,097,000.	2,394,000.	1,209,000.	1,260,000.
d	Grants or scholarships					
e	Other expenditures for facilities and programs	4,297,000.	-1,347,000.	-104,000.	-655,000.	-887,000.
f	Administrative expenses					
g	End of year balance	42,708,000.	41,860,000.	37,606,000.	34,442,000.	32,083,000.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 51.00 %
c Temporarily restricted endowment ▶ 49.00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	3a(i)	X
(ii)	related organizations	3a(ii)	X
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,654,817.		1,654,817.
b Buildings		121,273,326.	105,522,808.	15,750,518.
c Leasehold improvements		140,408,350.	75,983,430.	64,424,920.
d Equipment		168,479,588.	122,170,885.	46,308,703.
e Other		37,001,249.		37,001,249.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				165,140,207.

Schedule D (Form 990) 2013

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) HEDGE FUNDS	489,283.	END-OF-YEAR MARKET VALUE
(B) YALE ENDOWMENT POOL	34,853,166.	END-OF-YEAR MARKET VALUE
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	35,342,449.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	3,346,847.
(2) DEFERRED ISSUANCE COSTS	1,289,891.
(3) INTEREST IN FOUNDATION, INC.	65,811,715.
(4) INTEREST IN BRIDGEPORT HOSPITAL AUXILIARY	490,337.
(5) INTEREST IN CENTURY FINANCIAL SERVICES	874,589.
(6) THIRD PARTY RECEIVABLES	4,169,701.
(7) PROFESSIONAL LIABILITIES INSURANCE RECOVERIES RECEIVABLES	27,575,000.
(8) OTHER RECEIVABLES	1,699,236.
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	105,257,316.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SELF INSURANCE	18,820,723.
(3) ASSET RETIREMENT OBLIGATIONS	11,014,983.
(4) PENSION OBLIGATION	58,281,023.
(5) THIRD PARTY PAYABLE	22,246,476.
(6) DUE TO AFFILIATES	66,174,060.
(7) MALPRACTICE GROSS LIABILITY	27,575,000.
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	204,112,265.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	469,391,859.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	2,718,360.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	6,648,335.		
e	Add lines 2a through 2d			2e	9,366,695.
3	Subtract line 2e from line 1			3	460,025,164.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	3,486,437.		
c	Add lines 4a and 4b			4c	3,486,437.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	463,511,601.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	426,496,189.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d	887,521.		
e	Add lines 2a through 2d			2e	887,521.
3	Subtract line 2e from line 1			3	425,608,668.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	4,373,958.		
c	Add lines 4a and 4b			4c	4,373,958.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	429,982,626.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

INTENDED USES FOR ENDOWMENT FUNDS

THE ENDOWED FUNDS' INTENDED USE IS TO GENERATE INCOME TO SUPPORT BRIDGEPORT HOSPITAL PROGRAM SERVICE FUNCTIONS AND OTHER OPERATIONS IN ACCORDANCE WITH THE BRIDGEPORT HOSPITAL POOLED INVESTMENT POLICY, TO PROVIDE FREE CARE BASED ON DONORS WISHES.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

NET CHANGE IN INTEREST IN BHF	3,819,112.
RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS	2,395,275.
RECLASS OTHER NON-OPERATING INCOME RESTRICTED FUNDS TO CHANGE IN NET ASSETS	434,511.

Part XIII Supplemental Information *(continued)*

RECLASS SERP ASSET GAIN/LOSS TO CHANGE IN NET ASSETS	-563.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	6,648,335.
PART XI, LINE 4B - OTHER ADJUSTMENTS:	
RECLASS CONTRIBUTION	3,303,523.
RECLASS NET RENTAL INCOME AND EXPENSE	182,914.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	3,486,437.
PART XII, LINE 2D - OTHER ADJUSTMENTS:	
RECLASS RENTAL EXPENSE	887,521.
PART XII, LINE 4B - OTHER ADJUSTMENTS:	
RECLASS CONTRIBUTION	3,303,523.
RECLASS NET RENTAL INCOME	1,070,435.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	4,373,958.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b If "Yes," was it a written policy?	1b	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250 %	3a	X	
b Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other ____ %	3b		X
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		X
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If "Yes," did the organization make it available to the public?	6b	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		12,678	38,999,000.	14,446,000.	24,553,000.	5.71%
b Medicaid (from Worksheet 3, column a)		110,150	118,934,000.	90,023,000.	28,911,000.	6.72%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		122,828	157,933,000.	104,469,000.	53,464,000.	12.43%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	11	2,207	1,900,879.	1,172,489.	728,390.	.17%
f Health professions education (from Worksheet 5)	4	205	18,609,259.	8,325,483.	10,283,776.	2.39%
g Subsidized health services (from Worksheet 6)	2	7,638	11,422,151.	9,813,766.	1,608,385.	.37%
h Research (from Worksheet 7)	1	0	190,932.		190,932.	.04%
i Cash and in-kind contributions for community benefit (from Worksheet 8)	2	34,580	112,160.	0.	112,160.	.03%
j **Total.** Other Benefits	20	44,630	32,235,381.	19,311,738.	12,923,643.	3.00%
k **Total.** Add lines 7d and 7j	20	167,458	190,168,381.	123,780,738.	66,387,643.	15.43%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	0	12,500.	0.	12,500.	.00%
2	Economic development	1	0	26,840.	0.	26,840.	.01%
3	Community support	3	377	42,039.	0.	42,039.	.01%
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1	0	1,012.	0.	1,012.	.00%
7	Community health improvement advocacy	1	0	4,319.	0.	4,319.	.00%
8	Workforce development	1	1	4,049.	0.	4,049.	.00%
9	Other	0	0	0.	0.		
10	Total	8	378	90,759.		90,759.	.02%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 20,304,804.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3 0.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	159,487,014.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	153,608,663.	
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	5,878,351.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [X] Cost accounting system [ ] Cost to charge ratio [ ] Other			

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1 NONE	NONE			

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 BRIDGEPORT HOSPITAL 267 GRANT STREET BRIDGEPORT, CT 06610 WWW.BRIDGEPORTHOSPITAL.ORG 0040	X	X	X	X			X		N/A	

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group BRIDGEPORT HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] The process for consulting with persons representing the community's interests			
i [X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j [ ] Other (describe in Section C)			
2 Indicate the tax year the hospital facility last conducted a CHNA: 20 12			
3 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4	X	
5 Did the hospital facility make its CHNA report widely available to the public?	5	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a [X] Hospital facility's website (list url): SEE PART V SUPPLEMENTAL INFORMATION			
b [X] Other website (list url): SEE PART V SUPPLEMENTAL INFORMATION			
c [X] Available upon request from the hospital facility			
d [ ] Other (describe in Section C)			
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a [X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b [X] Execution of the implementation strategy			
c [X] Participation in the development of a community-wide plan			
d [X] Participation in the execution of a community-wide plan			
e [X] Inclusion of a community benefit section in operational plans			
f [X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g [X] Prioritization of health needs in its community			
h [X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i [ ] Other (describe in Section C)			
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)* BRIDGEPORT HOSPITAL

			Yes	No
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %			
	If "No," explain in Section C the criteria the hospital facility used.			
11	Used FPG to determine eligibility for providing *discounted* care?	11		X
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____ %			
	If "No," explain in Section C the criteria the hospital facility used.			
12	Explained the basis for calculating amounts charged to patients?	12	X	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	[X] Income level			
b	[ ] Asset level			
c	[ ] Medical indigency			
d	[X] Insurance status			
e	[ ] Uninsured discount			
f	[ ] Medicaid/Medicare			
g	[ ] State regulation			
h	[ ] Residency			
i	[ ] Other (describe in Section C)			
13	Explained the method for applying for financial assistance?	13	X	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	[X] The policy was posted on the hospital facility's website			
b	[X] The policy was attached to billing invoices			
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	[X] The policy was posted in the hospital facility's admissions offices			
e	[ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f	[X] The policy was available on request			
g	[ ] Other (describe in Section C)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Section C)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		X
	If "Yes," check all actions in which the hospital facility or a third party engaged:			
a	[ ] Reporting to credit agency			
b	[ ] Lawsuits			
c	[ ] Liens on residences			
d	[ ] Body attachments			
e	[ ] Other similar actions (describe in Section C)			

Part V Facility Information *(continued)* BRIDGEPORT HOSPITAL

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a [X] Notified individuals of the financial assistance policy on admission
- b [X] Notified individuals of the financial assistance policy prior to discharge
- c [X] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d [X] Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e [ ] Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	X	

If "No," indicate why:

- a [ ] The hospital facility did not provide care for any emergency medical conditions
- b [ ] The hospital facility's policy was not in writing
- c [ ] The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d [ ] Other (describe in Section C)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a [ ] The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b [ ] The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c [ ] The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d [X] Other (describe in Section C)

		Yes	No
21	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.		X
22	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.		X

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12l, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

PART V, SECTION A:

THIS STATE LICENSE FOR THE HOSPITAL LOCATION LISTED IN SCHEDULE H, PART V, SECTION A, ALSO COVERS VARIOUS SATELLITE LOCATIONS OPERATED UNDER AND EXPRESSLY LISTED ON THE SAME STATE HOSPITAL LICENSE.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 3:

COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS. BRIDGEPORT HOSPITAL, THROUGH THE PRIMARY CARE ACTION GROUP, SOUGHT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL THROUGH FOCUS GROUPS AND KEY INFORMANT INTERVIEWS WITH COMMUNITY MEMBERS AND COMMUNITY STAKEHOLDERS, AS WELL AS INCLUSION OF AT LEAST EIGHTY COMMUNITY PARTNERS AND RESIDENTS IN THE PRIORITIZATION AND IMPLEMENTATION PLANNING PROCESS. PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS SHARED KNOWLEDGE AND EXPERTISE ABOUT HEALTH ISSUES, WHILE LEADERS AND REPRESENTATIVES OF NON-PROFIT AND COMMUNITY-BASED ORGANIZATIONS PROVIDED INSIGHT ON THE COMMUNITY SERVED BY BRIDGEPORT HOSPITAL, INCLUDING MEDICALLY UNDERSERVED, LOW INCOME, AND MINORITY POPULATIONS.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 4:

ST. VINCENT'S MEDICAL CENTER, A MEMBER OF ASCENSION HEALTH SYSTEM, ALSO LOCATED IN BRIDGEPORT, IS PART OF THE PRIMARY CARE ACTION GROUP, WHICH CONDUCTED THE COMMUNITY HEALTH NEEDS ASSESSMENT.

Part V | **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

PART V, SECTION B, LINE 5A - HOSPITAL FACILITY'S WEBSITE

HTTP://WWW.BRIDGEPORTHOSPITAL.ORG/ABOUTUS/CHNA/DEFAULT.ASP

PART V, SECTION B, LINE 5B - OTHER WEBSITES (LIST URL):

HTTP://WWW.CT.GOV/DPH/LIB/DPH/OHCA/COMMUNITY_NEEDS_ASSESSMENT/CHNA/2014/GR

HTTPS://WWW.BRIDGEPORTCT.GOV/FILESTORAGE/89019/95959/GREATER_BRIDGEPORT_CO

HTTP://WWW.STVINCENTS.ORG/COMMUNITY-WELLNESS/COMMUNITY-BENEFIT

HTTP://WWW.TOWNOFSTRATFORD.COM/CONTENT/39832/39846/39915/40728/54513.ASPX

HTTP://WWW.FAIRFIELDCT.ORG/CONTENT/10726/11024/15879.ASPX

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 7:

BASED ON THE FEEDBACK FROM COMMUNITY PARTNERS INCLUDING HEALTH PROVIDERS, PUBLIC HEALTH EXPERTS, HEALTH AND HUMAN SERVICE AGENCIES, AND OTHER COMMUNITY REPRESENTATIVES, FOUR HEALTH ISSUES WERE PRIORITIZED: CARDIOVASCULAR DISEASE AND DIABETES, OBESITY, MENTAL HEALTH AND SUBSTANCE ABUSE AND ACCESS TO CARE. BRIDGEPORT HOSPITAL PLANS TO FOCUS ITS COMMUNITY HEALTH IMPROVEMENT EFFORTS ON ALL FOUR OF THESE AREAS. AREAS IDENTIFIED AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT NOT BEING ADDRESSED AS A RESULT OF A PRIORITIZATION PROCESS INCLUDE ABILITY TO CARE FOR THE ELDERLY, ASTHMA, CANCER, DENTAL / ORAL HEALTH, ENVIRONMENTAL ISSUES / CONTAMINATED LANDS, PRENATAL CARE, SEXUAL HEALTH, TOBACCO, TRANSPORTATION AND VIOLENCE.

BRIDGEPORT HOSPITAL RECOGNIZES THAT PARTNERSHIPS WITH COMMUNITY AGENCIES HAVE THE BROADEST REACH TO IMPROVE COMMUNITY HEALTH ISSUES. AS SUCH, THE

Part V | **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

HOSPITAL IS PROVIDING FACILITATION SUPPORT FOR THE IMPLEMENTATION OF THE COMMUNITY-WIDE HEALTH IMPROVEMENT PLAN THAT WILL FOCUS ON ALL FOUR AREAS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 11:

THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THERE IS NO INCOME LIMITATION FOR ELIGIBILITY FOR DISCOUNTED CARE.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 20D:

PRIOR TO BECOMING FAP-ELIGIBLE, ALL INDIVIDUALS ARE CHARGED STANDARD GROSS CHARGES. AFTER AN INDIVIDUAL IS DEEMED TO BE FAP-ELIGIBLE, ANY DISCOUNTS OR FREE CARE ASSISTANCE DISCOUNTS ARE APPLIED IN ACCORDANCE WITH THE FAP PROGRAM THE INDIVIDUAL QUALIFIES FOR. THE DISCOUNTS ARE ADJUSTED OFF THE PATIENT'S ACCOUNT WHICH IS ALSO REFLECTED IN THE INDIVIDUAL'S BILLING.

SCHEDULE H, PART V, SECTION D

THE FACILITY LOCATIONS LISTED IN SCHEDULE H, PART V, SECTION D, INCLUDE NON-HOSPITAL HEALTH CARE FACILITIES THAT BRIDGEPORT HOSPITAL OPERATED DURING THE TAX YEAR, WHETHER OR NOT REQUIRED TO BE LICENSED OR REGISTERED UNDER STATE LAW, AS REQUIRED BY THE IRS. ALL SUCH LOCATIONS ARE OPERATED BY BRIDGEPORT HOSPITAL UNDER THE BRIDGEPORT

Part V | **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

HOSPITAL STATE HOSPITAL LICENSE.

Part V | Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 29

	Name and address	Type of Facility (describe)
1	SLEEP CENTER 1070 MAIN STREET BRIDGEPORT, CT 06604	SLEEP CENTER
2	NORMA PFRIEM BREAST CARE CENTER 111 BEACH ROAD FAIRFIELD, CT 06824	CANCER CENTER
3	CARDIAC DIAGNOSTIC TESTING 1305 POST RD FAIRFIELD, CT 06824	CARDIAC SERVICES
4	CARDIAC REHABILITATION 1305 POST ROAD FAIRFIELD, CT 06824	REHABILITATION
5	DRAW STATION 15 CORPORATE DRIVE TRUMBULL, CT 06611	BLOOD DRAW
6	CARDIAC DIAGNOSTIC TESTING 2 IVY BROOK ROAD SHELTON, CT 06484	CARDIAC SERVICES
7	CARDIAC DIAGNOSTIC TESTING 20 COMMERCE PARK MILFORD, CT 06460	CARDIAC SERVICES
8	CARDIAC DIAGNOSTIC TESTING 25 GERMANTOWN ROAD DANBURY, CT 06810	CARDIAC SERVICES
9	OUTPATIENT RADIOLOGY 2595 MAIN ST STRATFORD, CT 06615	RADIOLOGY
10	DRAW STATION 2600 POST ROAD - LAB FAIRFIELD, CT 06824	BLOOD DRAW

Part V | **Facility Information** *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
11 REHABILITATION CENTER 2600 POST ROAD - REHAB FAIRFIELD, CT 06824	REHABILITATION
12 OUTPATIENT RADIOLOGY 2660 MAIN ST BRIDGEPORT, CT 06606	MEDICAL OFFICE
13 AHLBIN PHYSICAL THERAPY 2750 RESERVOIR AVE TRUMBULL, CT 06611	REHABILITATION
15 OUTPATIENT RADIOLOGY 2909 MAIN ST STRATFORD, CT 06614	RADIOLOGY
16 CARDIAC DIAGNOSTIC TESTING 30 PROSPECT STREET RIDGEFIELD, CT 06877	CARDIAC SERVICES
17 CARDIAC DIAGNOSTIC TESTING 300 SEYMOUR AVE DERBY, CT 06418	CARDIAC SERVICES
18 REACH AT BH 305 BOSTON AVE STRATFORD, CT 06614	VARIOUS
19 DRAW STATION 3115 MAIN ST STRATFORD, CT 06614	BLOOD DRAW
20 AHLBIN REHABILITATION CENTER 3585 MAIN ST STRATFORD, CT 06614	REHABILITATION
21 DRAW STATION 4 CORPORATE DRIVE SHELTON, CT 06484	BLOOD DRAW

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
22 DRAW STATION 40 COMMERCE PARK MILFORD, CT 06460	BLOOD DRAW
23 OUTPATIENT RADIOLOGY 425 POST ROAD FAIRFIELD, CT 06824	RADIOLOGY
24 OUTPATIENT RADIOLOGY 4699 MAIN ST BRIDGEPORT, CT 06606	RADIOLOGY
25 DRAW STATION 5520 PARK AVENUE TRUMBULL, CT 06611	BLOOD DRAW
26 OUTPATIENT RADIOLOGY 5520 PARK AVENUE TRUMBULL, CT 06611	RADIOLOGY
27 PERINATAL/ATU 5520 PARK AVENUE TRUMBULL, CT 06611	VARIOUS
28 RADIATION/ONCOLOGY 5520 PARK AVENUE TRUMBULL, CT 06611	RADIOLOGY/ONCOLOGY
29 CENTER FOR GERIATRICS 95 ARMORY STRATFORD, CT 06614	ELDER CARE
30 CARDIAC DIAGNOSTIC TESTING 999 SILVER LANE TRUMBULL, CT 06611	CARDIAC SERVICES

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THE FINANCIAL ASSISTANCE POLICY PROVIDES FOR ELIGIBILITY OF CARE REGARDLESS OF INCOME.

PART I, LINE 7:

THE HOSPITAL USES A COST ACCOUNTING SYSTEM, TSI, TO CALCULATE THE AMOUNTS PRESENTED IN PART I, LINE 7. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS.

PART II, COMMUNITY BUILDING ACTIVITIES:

BRIDGEPORT HOSPITAL IS THE LARGEST PRIVATE EMPLOYER IN BRIDGEPORT WITH 2,546 EMPLOYEES IN 2014. THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE IN IMPROVING THE HEALTH IN THE COMMUNITY IT SERVES BY PROVIDING IN-KIND AND FINANCIAL SUPPORT FOR INITIATIVES THROUGHOUT THE GREATER BRIDGEPORT AREA. MEMBERS OF THE HOSPITAL'S LEADERSHIP AND MANAGEMENT STAFF ALSO SUPPORT ECONOMIC DEVELOPMENT BY SERVING ON THE BOARDS OF THE BRIDGEPORT REGIONAL BUSINESS COUNCIL, BRIDGEPORT CHAMBER OF

Part VI Supplemental Information *(Continuation)*

COMMERCE, AREA ROTARY CLUBS AND NON-PROFIT CULTURAL VENUES. THROUGH THESE ORGANIZATIONS, BRIDGEPORT HOSPITAL ADVOCATES FOR AND FACILITATES INCREASED ECONOMIC DEVELOPMENT FOR THE AREA.

BRIDGEPORT HOSPITAL, ALONG WITH MANY OTHER HOSPITALS ACROSS THE COUNTRY, UTILIZES THE COMMUNITY BENEFITS INVENTORY FOR SOCIAL ACCOUNTABILITY (CBISA) DATABASE DEVELOPED BY LYON SOFTWARE TO CATALOG ITS COMMUNITY BENEFIT AND COMMUNITY BUILDING ACTIVITIES AND THE GUIDELINES DEVELOPED BY THE CATHOLIC HOSPITAL ASSOCIATION (CHA) IN ORDER TO CATALOG THESE BENEFITS. THESE TWO ORGANIZATIONS HAVE WORKED TOGETHER FOR OVER TWENTY YEARS TO PROVIDE SUPPORT TO NON-FOR-PROFIT HOSPITALS TO DEVELOP AND SUSTAIN EFFECTIVE COMMUNITY BENEFIT PROGRAMS.

THE MOST RECENT VERSION OF THE CHA GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT DEFINES COMMUNITY BUILDING ACTIVITIES AS PROGRAMS THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, SUCH AS POVERTY, HOMELESSNESS AND ENVIRONMENTAL PROBLEMS. THESE ACTIVITIES ARE CATEGORIZED INTO EIGHT DISTINCT AREAS INCLUDING PHYSICAL IMPROVEMENT AND HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, COALITION BUILDING, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS, AND WORKFORCE DEVELOPMENT.

BRIDGEPORT HOSPITAL IS INCREASINGLY AWARE OF HOW SOCIAL DETERMINANTS IMPACT THE HEALTH OF INDIVIDUALS AND COMMUNITIES. A PERSON'S HEALTH AND CHANCES OF BECOMING SICK AND DYING EARLY ARE GREATLY INFLUENCED BY POWERFUL SOCIAL FACTORS SUCH AS EDUCATION, INCOME, NUTRITION, HOUSING AND NEIGHBORHOODS. DURING FISCAL YEAR 2014, BRIDGEPORT HOSPITAL PROVIDED $90,759 IN FINANCIAL AND IN-KIND DONATIONS TO SUPPORT JOB TRAINING, ECONOMIC DEVELOPMENT AND OTHER ESSENTIAL SERVICES. THE HOSPITAL CONSIDERS THESE INVESTMENTS PART OF ITS OVERALL COMMITMENT OF BUILDING STRONGER NEIGHBORHOODS. EXAMPLES BELOW FOCUS ON THE AREAS OF REVITALIZING OUR

Part VI Supplemental Information *(Continuation)*

NEIGHBORHOODS AND CREATING EDUCATIONAL OPPORTUNITIES.

REVITALIZING OUR NEIGHBORHOODS

AS IN PREVIOUS YEARS, HOSPITAL LEADERSHIP CONTINUES TO BE ACTIVELY ENGAGED IN NRZS ORGANIZED NEAR THE HOSPITAL, THE BRIDGEPORT HOSPITAL COMMUNITY PARTNERSHIP AND THE EAST END COMMUNITY COUNCIL.

IN APRIL 2014, AS PART OF A SUSTAINABILITY PROGRAM AIMED AT ADDRESSING FOOD INSECURITY WITHIN THE CITY OF BRIDGEPORT, BRIDGEPORT HOSPITAL AND ROCK AND WRAP IT UP! TEAMED UP TO RECOVER FOOD THAT HAS BEEN PREPARED BUT NOT SERVED FROM THE HOSPITAL AND DONATE IT TO THE BRIDGEPORT RESCUE MISSION. OVER 500 POUNDS OF FOOD WAS DONATED IN 2014.

BRIDGEPORT HOSPITAL, ALONG WITH OTHER AREA BUSINESSES, IS A FOUNDING MEMBER OF THE SEAVIEW AVENUE BUSINESS ALLIANCE. THE SEAVIEW AVENUE BUSINESS ALLIANCE IS A NON-PROFIT ORGANIZATION DEDICATED TO IMPROVING STREETSCAPES AND IMPROVING THE AREA ALONG THE SEAVIEW AVENUE CORRIDOR. THE ORGANIZATION ALSO PROVIDES ANNUAL SCHOLARSHIPS TO STUDENTS GRADUATING FROM HARDING HIGH SCHOOL WHO PLAN TO ATTEND COLLEGE. IN 2014, THE HOSPITAL PROVIDED FINANCIAL AND IN-KIND SUPPORT FOR THESE EFFORTS.

CREATING EDUCATIONAL OPPORTUNITIES

REFLECTING ITS STRONG COMMITMENT TO THE BRIDGEPORT COMMUNITY AND SUPPORT OF EDUCATION, BRIDGEPORT HOSPITAL CONTINUED MENTORING AND CAREER EXPLORATION OPPORTUNITIES DURING THE YEAR. EXAMPLES INCLUDE A PHARMACY INTERNSHIP WITH STRATFORD HIGH SCHOOL AND PARTICIPATION IN CAREER DAY AT COLUMBUS ELEMENTARY SCHOOL AND HARDING HIGH SCHOOL, BOTH OF WHICH ARE LOCATED IN BRIDGEPORT.

A SCHOOL SUPPLY DRIVE WAS HELD AT THE HOSPITAL FOR STUDENTS AT THE HALL ELEMENTARY SCHOOL, LOCATED IN THE MILL HILL NEIGHBORHOOD OF BRIDGEPORT. HOSPITAL EMPLOYEES CONTRIBUTED MORE THAN 800 ITEMS RANGING FROM PENS AND PENCILS TO NOTEBOOKS, BACKPACKS AND OTHER ITEMS TO HELP ASSIST THE 310

Part VI Supplemental Information *(Continuation)*

STUDENTS TO BEGIN THEIR SCHOOL YEAR. BRIDGEPORT HOSPITAL STAFF ALSO PARTNER WITH HALL ELEMENTARY SCHOOL AND OTHERS FOR THE ANNUAL "MOCK TRIAL" THROUGH THE HOSPITAL'S LEGAL & RISK MANAGEMENT DEPARTMENT, WHICH PROVIDES STUDENTS AN OPPORTUNITY TO PARTICIPATE IN AN ACTUAL TRIAL AT THE FEDERAL COURTHOUSE COMPLETE WITH A SUPERIOR COURT JUDGE.

AS MENTIONED IN THE PREVIOUS SECTION, BRIDGEPORT HOSPITAL, THROUGH THE SEAVIEW AVENUE BUSINESS ALLIANCE, PROVIDED SCHOLARSHIPS TO SENIORS FROM HARDING HIGH SCHOOL WHO WILL BE ATTENDING COLLEGE. THE HOSPITAL IS ALSO A MEMBER OF THE BRIDGEPORT CHILD ADVOCACY COALITION, WHICH IS A COALITION OF ORGANIZATIONS, PARENTS AND OTHER CONCERNED INDIVIDUALS COMMITTED TO IMPROVING THE WELL-BEING OF BRIDGEPORT'S CHILDREN THROUGH RESEARCH, ADVOCACY, COMMUNITY EDUCATION AND MOBILIZATION.

PART III, LINE 2:

IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. THE HOSPITAL'S COST ACCOUNTING SYSTEM UTILIZES PATIENT-SPECIFIC DATA TO ACCUMULATE AND DERIVE COSTS RELATED TO THESE BAD DEBT ACCOUNTS.

PART III, LINE 4:

THE HOSPITAL'S COMMITMENT TO COMMUNITY SERVICE IS EVIDENCED BY SERVICES PROVIDED TO THE POOR AND BENEFITS PROVIDED TO THE BROADER COMMUNITY. SERVICES PROVIDED TO THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED.

Part VI Supplemental Information *(Continuation)*

THE HOSPITAL MAKES AVAILABLE FREE CARE PROGRAMS FOR QUALIFYING PATIENTS. IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING, AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. FOR PATIENTS WHO DO NOT AVAIL THEMSELVES OF ANY FREE CARE PROGRAM AND WHOSE ABILITY TO PAY CANNOT BE DETERMINED BY THE HOSPITAL, CARE GIVEN BUT NOT PAID FOR IS CLASSIFIED AS CHARITY CARE. DURING THE YEAR ENDED SEPTEMBER 30, 2014, THE HOSPITAL AMENDED ITS CHARITY CARE POLICY. BASED UPON THE POLICY CHANGE, THE HOSPITAL EXPERIENCED INCREASED CHARITY CARE WRITE OFFS DURING THE YEAR.

TOGETHER, CHARITY CARE AND BAD DEBT EXPENSE REPRESENT UNCOMPENSATED CARE. THE ESTIMATED COST OF TOTAL UNCOMPENSATED CARE IS APPROXIMATELY $31.2 MILLION AND $27.9 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF UNCOMPENSATED CARE IS BASED ON THE RATIO OF COST TO CHARGES, AS DETERMINED BY CLAIMS ACTIVITY. THE ESTIMATED COST OF CHARITY CARE IS BASED ON THE RATIO OF COST TO CHARGES. THE ALLOCATION BETWEEN BAD DEBT AND CHARITY CARE IS DETERMINED BASED ON MANAGEMENT'S ANALYSIS ON THE PREVIOUS 12 MONTHS OF HOSPITAL DATA. THIS ANALYSIS CALCULATES THE ACTUAL PERCENTAGE OF ACCOUNTS WRITTEN OFF OR DESIGNATED AS BAD DEBT VERSUS CHARITY CARE WHILE TAKING INTO ACCOUNT THE TOTAL COSTS INCURRED BY THE HOSPITAL FOR EACH ACCOUNT ANALYZED.

THE ESTIMATED COST OF CHARITY CARE PROVIDED WAS APPROXIMATELY $22.1 MILLION AND $16.8 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF CHARITY CARE IS BASED ON THE RATIO OF COST TO CHARGES, AS DETERMINED BY HOSPITAL-SPECIFIC DATA.

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, BAD DEBT EXPENSE, AT CHARGES, WAS APPROXIMATELY $20.3 MILLION AND $27.9 MILLION, RESPECTIVELY.

Part VI Supplemental Information (Continuation)

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, BAD DEBT EXPENSE, AT COST, WAS APPROXIMATELY $9.1 MILLION AND $11.1 MILLION, RESPECTIVELY. THE BAD DEBT EXPENSE IS MULTIPLIED BY THE RATIO OF COST TO CHARGES FOR PURPOSES OF INCLUSION IN THE TOTAL UNCOMPENSATED CARE AMOUNT IDENTIFIED ABOVE.

THE CDSHP WAS ESTABLISHED TO PROVIDE FUNDS TO HOSPITALS FOR THE PROVISION OF UNCOMPENSATED CARE AND IS FUNDED, IN PART, BY A 1% ASSESSMENT ON HOSPITAL NET INPATIENT SERVICE REVENUE. DURING THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, THE HOSPITAL RECEIVED APPROXIMATELY $14.4 MILLION AND $17.7 MILLION, RESPECTIVELY, IN CDSHP DISTRIBUTIONS, OF WHICH APPROXIMATELY $10.2 MILLION AND $12.6 MILLION, RESPECTIVELY, RELATED TO CHARITY CARE. THE HOSPITAL MADE PAYMENTS INTO CDSHP OF APPROXIMATELY $16.9 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY, FOR THE 1% ASSESSMENT.

ADDITIONALLY, THE HOSPITAL PROVIDES BENEFITS FOR THE BROADER COMMUNITY, WHICH INCLUDES SERVICES PROVIDED TO OTHER NEEDY POPULATIONS THAT MAY NOT QUALIFY AS POOR BUT NEED SPECIAL SERVICES AND SUPPORT. BENEFITS INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION OF THE GENERAL COMMUNITY, INTERNS AND RESIDENTS, HEALTH SCREENINGS, AND MEDICAL RESEARCH. THE BENEFITS ARE PROVIDED THROUGH THE COMMUNITY HEALTH CENTERS, SOME OF WHICH SERVICE NON-ENGLISH SPEAKING RESIDENTS, DISABLED CHILDREN, AND VARIOUS COMMUNITY SUPPORT GROUPS. THE HOSPITAL VOLUNTARILY ASSISTS WITH THE DIRECT FUNDING OF SEVERAL CITY OF BRIDGEPORT PROGRAMS, INCLUDING AN ECONOMIC DEVELOPMENT PROGRAM AND A YOUTH INITIATIVE PROGRAM.

IN ADDITION TO THE QUANTIFIABLE SERVICES DEFINED ABOVE, THE HOSPITAL PROVIDES ADDITIONAL BENEFITS TO THE COMMUNITY THROUGH ITS ADVOCACY OF COMMUNITY SERVICE BY EMPLOYEES. THE HOSPITAL'S EMPLOYEES SERVE NUMEROUS ORGANIZATIONS THROUGH BOARD REPRESENTATION, MEMBERSHIP IN ASSOCIATIONS,

Part VI Supplemental Information *(Continuation)*

AND OTHER RELATED ACTIVITIES. THE HOSPITAL ALSO SOLICITS THE ASSISTANCE OF OTHER HEALTH CARE PROFESSIONALS TO PROVIDE THEIR SERVICES AT NO CHARGE THROUGH PARTICIPATION IN VARIOUS COMMUNITY SEMINARS AND TRAINING PROGRAMS.

PART III, LINE 9B:

IT IS THE HOSPITAL'S POLICY TO TREAT ALL PATIENTS EQUITABLY WITH RESPECT AND COMPASSION, FROM THE BEDSIDE TO THE BILLING OFFICE. THE HOSPITAL WILL PURSUE PATIENT ACCOUNTS, DIRECTLY AND THROUGH ITS COLLECTION AGENTS, FAIRLY AND CONSISTENTLY TAKING INTO CONSIDERATION DEMONSTRATED FINANCIAL NEED. AS PART OF ITS COLLECTION PROCESS, THE HOSPITAL WILL MAKE REASONABLE EFFORTS TO DETERMINE IF AN INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER ITS FINANCIAL ASSISTANCE POLICY. IN THE EVENT A PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL WILL NOT ENGAGE IN ANY EXTRAORDINARY COLLECTION ACTION AS DEFINED BY LAW AND HOSPITAL POLICY.

PART VI, LINE 2:

COMMUNITY NEEDS ARE ROUTINELY REVIEWED AND ADDRESSED AS PART OF THE OPERATIONS AND SERVICE LINE TEAMS AT BRIDGEPORT HOSPITAL. THESE MULTI-DISCIPLINARY GROUPS PROVIDE ANALYSIS AND INSIGHT INTO PATIENT UTILIZATION TRENDS ACROSS OUR DELIVERY OF CARE AND ARE REVIEWED IN TANDEM WITH CARE MANAGEMENT AND PATIENT SATISFACTION RESULTS AND OTHER COMMUNITY FEEDBACK. COUPLED WITH THE RECENTLY COMPLETED COMMUNITY NEEDS ASSESSMENT, THIS INFORMATION ASSISTS WITH THE DEVELOPMENT OF NEW INITIATIVES, PARTNERSHIPS, PROGRAMS AND SERVICES TO BENEFIT OUR COMMUNITY.

PART VI, LINE 3:

BRIDGEPORT HOSPITAL INFORMS INDIVIDUALS ABOUT ITS FINANCIAL ASSISTANCE PROGRAMS ON ITS WEBSITE, THROUGH VISIBLE POSTINGS AND

Part VI Supplemental Information *(Continuation)*

COMMUNICATIONS AT POINTS OF REGISTRATION AND FRONT LINE ACCESS. THE FINANCIAL ASSISTANCE POLICY, APPLICATION AND SUMMARY ARE AVAILABLE ON REQUEST WITHOUT CHARGE BY MAIL, INCLUDING AT ADMITTING DEPARTMENT. FURTHER, PATIENTS RECEIVE A SUMMARY OF FINANCIAL ASSISTANCE PROGRAMS, INCLUDING ELIGIBILITY REQUIREMENTS THROUGH A FIRST STATEMENT MAILER AS PART OF THE BILLING PROVES. THESE COMMUNICATIONS INCLUDE TELEPHONE NUMBERS AND POINT OF CONTACT FOR INDIVIDUALS TO VISIT OR CALL. THE HOSPITAL HAS RESOURCES TO ASSIST PATIENTS WITH STATE OF CONNECTICUT MEDICAID APPLICATIONS.

PART VI, LINE 4:

BRIDGEPORT HOSPITAL'S LOCAL GEOGRAPHIC AREA IS COMPRISED OF EIGHT CITIES AND TOWNS ALONG THE SOUTHWEST COAST OF CT, INCLUDING BRIDGEPORT, EASTON, FAIRFIELD, MILFORD, MONROE, SHELTON, STRATFORD AND TRUMBULL. THE HOSPITAL ITSELF IS LOCATED IN BRIDGEPORT, WHICH IS THE MOST POPULOUS CITY IN CONNECTICUT, AND THE FIFTH LARGEST CITY IN NEW ENGLAND. LOCATED IN FAIRFIELD COUNTY, THE CITY HAS AN ESTIMATED POPULATION OF 144,446. THE CITY IS THE CORE OF THE GREATER BRIDGEPORT AREA, WHICH ITSELF IS CONSIDERED PART OF THE LABOR MARKET AREA FOR NEW YORK CITY. THE MEDIAN HOUSEHOLD INCOME FOR BRIDGEPORT IS $39,822, WHICH IS $29,697 BELOW THE STATE OF CONNECTICUT MEDIAN HOUSEHOLD INCOME OF $69,519 AND $42,792 BELOW THE MEDIAN HOUSEHOLD INCOME OF $82,614 IN FAIRFIELD COUNTY. ABOUT 23.6% OF THE POPULATION OF BRIDGEPORT LIVES BELOW THE FEDERAL POVERTY LEVEL VERSUS 10% FOR THE WHOLE STATE.

BRIDGEPORT HAS A HIGH PROPORTION OF UNDERINSURED OR UNINSURED PATIENTS, WHILE THE SURROUNDING TOWNS ARE SOME OF THE MOST AFFLUENT TOWNS IN THE COUNTRY, WHICH CREATES AN URBAN/SUBURBAN DIVIDE IN THE AREA. NEARLY A THIRD OF THE INPATIENTS AT BRIDGEPORT HOSPITAL, 6,361 PATIENTS (34.9% OF

TOTAL) WERE MEDICAID OR UNINSURED IN FISCAL YEAR 2014. THE HOSPITAL IS A DISPROPORTIONATE SHARE HOSPITAL, AND ALSO QUALIFIES FOR 340B PHARMACY PRICING.

THE BRIDGEPORT HOSPITAL EMERGENCY ROOM PROVIDES A HEALTH CARE SAFETY NET FOR THOUSANDS OF PEOPLE EACH YEAR BY SERVING AS THE PRIMARY CARE PROVIDER FOR UNINSURED AND UNDERINSURED PATIENTS. IN FISCAL YEAR, THE TOTAL NUMBER OF EMERGENCY ROOM VISITS WERE 83,054 INCLUDING BOTH TREATED AND ADMITTED AND TREATED AND DISCHARGED PATIENTS. THE TREATED AND DISCHARGED PATIENTS MAKE UP 87.4 PERCENT OF THE TOTAL WITH 6,921 (9.5%) OF THOSE PATIENTS IDENTIFIED AS NOT HAVING INSURANCE AND ANOTHER 40,746 (49.1%) IDENTIFIED AS MEDICAID BENEFICIARIES.

BRIDGEPORT HOSPITAL, ST. VINCENT'S MEDICAL CENTER AND MILFORD HOSPITAL ARE THE THREE ACUTE CARE HOSPITALS LOCATED IN THE LOCAL SERVICE AREA.

PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH

BRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING 18,208 INPATIENTS AND MORE THAN 277,000 OUTPATIENT ENCOUNTERS IN 2014. A MEMBER OF YALE NEW HAVEN HEALTH SYSTEM SINCE 1996, BRIDGEPORT HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER; THE JOEL E. SMILOW HEART INSTITUTE; THE NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CENTER, THE WOMEN'S CARE CENTER, CENTER FOR WOUND HEALING AND HYPERBARIC MEDICINE AND AHLBIN CENTERS FOR REHABILITATION MEDICINE. BRIDGEPORT HOSPITAL IS ALSO HOME TO THE SECOND INPATIENT CAMPUS OF YALE-NEW HAVEN CHILDREN'S HOSPITAL.

EVERY YEAR, AS PART OF ITS MISSION TO PROVIDE PATIENT CARE, TEACHING, RESEARCH AND COMMUNITY SERVICE, BRIDGEPORT HOSPITAL SPONSORS, DEVELOPS, PARTICIPATES IN AND FINANCIALLY SUPPORTS A WIDE VARIETY OF COMMUNITY-BASED PROGRAMS AND SERVICES. DURING FISCAL YEAR 2014,

Part VI Supplemental Information *(Continuation)*

BRIDGEPORT HOSPITAL PROVIDED $66.4 MILLION IN FINANCIAL AND IN-KIND CONTRIBUTIONS THROUGH FIVE WIDE-RANGING PROGRAMS - GUARANTEEING ACCESS TO CARE; PROMOTING HEALTH AND WELLNESS; ADVANCING CAREERS IN HEALTH CARE; RESEARCH; AND CREATING HEALTHIER COMMUNITIES. A SIXTH CATEGORY, BUILDING STRONGER NEIGHBORHOODS, WAS PREVIOUSLY DISCUSSED IN PART II.

GUARANTEEING ACCESS TO CARE

BRIDGEPORT HOSPITAL RECOGNIZES THAT SOME PATIENTS MAY BE UNINSURED, NOT HAVE ADEQUATE HEALTH INSURANCE OR OTHERWISE LACK THE RESOURCES TO PAY FOR HEALTH CARE. IN FISCAL YEAR 2014, THE TOTAL COMMUNITY BENEFIT ASSOCIATED WITH GUARANTEEING ACCESS TO CARE WAS $55.1 MILLION. HONORING ITS MISSION AND COMMITMENT TO THE COMMUNITY, THE HOSPITAL PARTICIPATED IN GOVERNMENT-SPONSORED PROGRAMS SUCH AS MEDICARE, MEDICAID, HUSKY, CHAMPUS AND TRICARE. DURING FISCAL YEAR 2014, BRIDGEPORT HOSPITAL PROVIDED INPATIENT AND OUTPATIENT SERVICES FOR 110,150 MEDICAID BENEFICIARIES AT A TOTAL EXPENSE OF $28.9 MILLION (AT COST). BRIDGEPORT HOSPITAL ALSO OFFERS A SLIDING SCALE OF DISCOUNTED FEES AND FREE CARE FOR ELIGIBLE PATIENTS. DURING FISCAL YEAR 2014, THE HOSPITAL DELIVERED SUCH FINANCIAL ASSISTANCE SERVICES FOR AT A TOTAL EXPENSE OF $24.6 MILLION (AT COST). IN ADDITION, THE HOSPITAL EMPLOYS AN OUTPATIENT ACCOUNT ADVOCATE WHO IS BASED IN ITS PRIMARY CARE CLINIC. THIS RESOURCE IS DEDICATED TO ASSISTING PATIENTS IN THE PRIMARY CARE CLINIC TO ENROLL IN PUBLIC ASSISTANCE PROGRAMS. LAST YEAR, NEARLY 170 INDIVIDUALS WERE ASSISTED WITH ALL ASPECTS OF THE ENROLLMENT PROCESS INCLUDING PRE-SCREENING AND APPLICATION REVIEW. THE HOSPITAL ALSO CONTINUED TO FUND AN ONSITE STATE DEPARTMENT OF SOCIAL SERVICES WORKER TO ASSIST PATIENTS TO APPLY FOR STATE HEALTH INSURANCE PROGRAMS. BRIDGEPORT HOSPITAL ALSO GUARANTEES ACCESS TO CARE BY PROVIDING CLINICAL PROGRAMS DESPITE A FINANCIAL LOSS SO SIGNIFICANT THAT NEGATIVE

Part VI Supplemental Information *(Continuation)*

MARGINS REMAIN AFTER REMOVING THE EFFECTS OF FREE CARE, BAD DEBT AND UNDER-REIMBURSED MEDICAID. SUBSIDIZED HEALTH SERVICES INCLUDE OUTPATIENT PSYCHIATRIC PROGRAMS FOR CHILDREN AND ADOLESCENTS AND THE PRIMARY CARE CLINIC. TOTAL VISITS FOR THESE ESSENTIAL SERVICES BY INDIVIDUALS SEEKING DIAGNOSIS, TREATMENT AND PREVENTIVE CARE ARE OVER 28,200 ANNUALLY. THE NORMA F. PFRIEM BREAST CENTER'S UNDERSERVED PROGRAM PROVIDED FREE MEDICAL, SCREENING AND DIAGNOSTIC SERVICES TO OVER 1,000 UNINSURED AND UNDERINSURED WOMEN DURING THE YEAR.

THE HOSPITAL'S COMMUNITY ASSISTANCE PROGRAM ASSISTS UNINSURED AND UNDERSERVED PATIENTS TO OBTAIN EXPENSIVE PRESCRIPTION MEDICATION AND THERAPIES FOR A VARIETY OF CONDITIONS THROUGH EXISTING PHARMACEUTICAL ASSISTANCE PROGRAMS. A FULL-TIME DEDICATED COORDINATOR FOR THE PROGRAM ASSISTED 150 PATIENTS IN THE COMMUNITY IN FISCAL YEAR 2014, ACHIEVING AN OUT-OF-POCKET COST SAVINGS FOR THESE PATIENTS OF $865,181. IN FISCAL YEAR 2014 OVER 200 PATIENTS RECEIVED FREE ORAL MEDICATIONS AND SELF-INJECTIONS THROUGH THE CARE COORDINATION PROGRAM WITH BRIDGEPORT HOSPITAL AND BRIDGEPORT PHARMACY. THIS PROGRAM PROVIDED ASSISTANCE TO UNINSURED AND UNDERINSURED PATIENTS WITH PRESCRIPTIONS THROUGH BRIDGEPORT PHARMACY. THE ESTIMATED VALUE OF THE DRUGS WAS $44,301.

THROUGH THE PRIMARY CARE ACTION GROUP, BRIDGEPORT HOSPITAL ALSO CONTINUED TO REFER UNINSURED AND LOW INCOME RESIDENTS IN THE GREATER BRIDGEPORT AREA TO THE DISPENSARY OF HOPE. THE DISPENSARY, WHICH OPENED IN 2011, IS AN INITIATIVE DEVELOPED BY THE PRIMARY CARE ACTION GROUP THAT PROVIDES PRESCRIPTION MEDICATIONS AT NO COST. AS PART OF ITS ONGOING COMMITMENT AND SUPPORT, THE HOSPITAL ALSO DONATES UNUSED MEDICATIONS TO THE DISPENSARY OF HOPE.

PROMOTING HEALTH AND WELLNESS

DURING FISCAL YEAR 2014, BRIDGEPORT HOSPITAL PROVIDED $728,390 IN

Part VI Supplemental Information (Continuation)

COMMUNITY HEALTH IMPROVEMENT SERVICES, INCLUDING HEALTH EDUCATION PROGRAMS, SUPPORT GROUPS AND HEALTH FAIRS. EXAMPLES OF THESE IMPORTANT SERVICES AND PROGRAMS ARE PROVIDED BELOW.

THE CHILD FIRST PROGRAM, STARTED AT BRIDGEPORT HOSPITAL, CONTINUES TO THRIVE.

THE HOSPITAL OFFERS THE NURTURING CONNECTIONS PARENTING PROGRAM FOR FIRST-TIME PARENTS WHO LIVE IN BRIDGEPORT. THE SUPPORT PROGRAM FOCUSES ON INFANT HEALTH AND GOOD PARENTING, AND COVERS A VARIETY OF DEVELOPMENTAL NEWBORN SUBJECTS SUCH AS ESTABLISHING ROUTINES, WAYS TO PROMOTE DEVELOPMENT IN NEWBORNS' BRAIN, EYE, AND MOTOR AREAS AND PROPER NUTRITION. THE PROGRAM ALSO HELPS TO CONNECT FAMILIES WITH HELPFUL COMMUNITY RESOURCES.

THE ONCOLOGY SOCIAL WORKER IN THE NORMA F. PFRIEM CANCER INSTITUTE ASSISTED OVER 28 PATIENTS WITH REQUESTS FOR REFERRALS OR ASSISTANCE FROM OUTSIDE AGENCIES. THESE REQUESTS WERE FOR A VARIETY OF COMMUNITY RESOURCES INCLUDING TRANSPORTATION, FINANCIAL ASSISTANCE, SUPPORT SERVICES AND HEAD COVERINGS. THROUGH THESE REFERRALS, INDIVIDUALS RECEIVED OVER $17,329 IN FINANCIAL GRANTS FROM ORGANIZATIONS SUCH AS THE AMERICAN CANCER SOCIETY, CANCER CARE, CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, LEUKEMIA AND LYMPHOMA SOCIETY, NATIONAL BRAIN TUMOR ASSOCIATION, CHAIN FUND, BREAST CANCER EMERGENCY FUND AND TAKE A SWING AGAINST CANCER.

THE HOSPITAL SPONSORS FREE SUPPORT GROUPS FOR PATIENTS RECOVERING FROM CANCER, HEART DISEASE, LUNG DISEASE, STROKE AND OTHER CONDITIONS. OVER 140 PEOPLE ATTENDED FREE HOSPITAL-SPONSORED HEALTH LECTURES AND AWARENESS EVENTS ON TOPICS SUCH AS HIP OR KNEE PAIN, HOW TO LIVE TO 100, AND UNDERSTANDING AUTISM. THE SIXTH ANNUAL "CELEBRATE LIFE" CANCER SURVIVORS' EVENT AT THE CONNECTICUT BEARDSLEY ZOO IN JUNE ATTRACTED

Part VI Supplemental Information *(Continuation)*

MORE THAN 560 PEOPLE AND PROVIDED INFORMATION ABOUT CANCER PREVENTION AND TREATMENT.

BRIDGEPORT HOSPITAL PROVIDED FREE BLOOD PRESSURE SCREENINGS AND INFORMATION AT SENIOR CENTERS LOCATED IN BRIDGEPORT, FAIRFIELD, SHELTON AND STRATFORD TO NEARLY 600 PEOPLE.

ADVANCING CAREERS IN HEALTH CARE

AS A MAJOR ACADEMIC AFFILIATE OF THE YALE SCHOOL OF MEDICINE, BRIDGEPORT HOSPITAL PROVIDES A SIGNIFICANT AMOUNT OF HEALTH PROFESSIONS EDUCATION ON AN ANNUAL BASIS. THIS INCLUDES GRADUATE AND INDIRECT MEDICAL EDUCATION IN THE AREA OF RESIDENCY AND FELLOWSHIP EDUCATION FOR PHYSICIANS / MEDICAL STUDENTS, THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING INCLUDING A STUDENT REGISTERED NURSE ANESTHETIST PROGRAM, ALLIED HEALTH EDUCATION, RADIOLOGY RESIDENCY PROGRAM, PASTORAL CARE RESIDENCY PROGRAM AND A PHARMACY PROGRAM. IN ADDITION, THE HOSPITAL PROVIDES A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO STUDENTS ENROLLED IN VARIOUS ALLIED HEALTH FIELDS INCLUDING NURSING, LABORATORY AND RADIOLOGY. IN 2014, THE COST TO BRIDGEPORT HOSPITAL TO PROVIDE FUNDING FOR HEALTHCARE TRAINING AND EDUCATION PROGRAMS WAS MORE THAN $10.3 MILLION, AND 205 INDIVIDUALS BENEFITED.

A TOTAL OF 83 STUDENTS GRADUATED FROM THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING (40 IN THE 15-MONTH ACCELERATED PROGRAM AND 43 IN THE TRADITIONAL TWO-YEAR PROGRAM). MANY GRADUATES ACCEPTED NURSING POSITIONS AT THE HOSPITAL. A TOTAL OF 10 NURSES GRADUATED WITH DOCTOR OF NURSING PRACTICE DEGREES FROM THE JOINT BRIDGEPORT HOSPITAL-FAIRFIELD UNIVERSITY NURSE ANESTHESIA PROGRAM. THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING SURGICAL TECHNOLOGY PROGRAM HAD 12 GRADUATES AND 29 PEOPLE COMPLETED THE SCHOOL'S STERILE PROCESSING TECHNICIAN COURSE.

Part VI Supplemental Information (Continuation)

DURING 2014, THE HOSPITAL PROVIDED A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO 105 STUDENTS ENROLLED IN PROGRAMS FOR NURSING, LABORATORY TECHNICIANS, RADIOLOGY TECHNICIANS, PHYSICAL AND OCCUPATIONAL THERAPY, AND DIETARY PROFESSIONALS. BRIDGEPORT HOSPITAL HAS LONG STANDING PARTNERSHIPS TO PROVIDE THIS TRAINING WITH SEVERAL AREA COLLEGES AND UNIVERSITIES INCLUDING FAIRFIELD UNIVERSITY, UNIVERSITY OF CONNECTICUT, GATEWAY COMMUNITY COLLEGE, NORWALK COMMUNITY COLLEGE, GOODWIN COLLEGE, ST. JOSEPH COLLEGE, SACRED HEART UNIVERSITY, QUINNIPIAC UNIVERSITY AND SOUTHERN CONNECTICUT STATE UNIVERSITY.

RESEARCH

TEACHING HOSPITALS LIKE BRIDGEPORT HOSPITAL ARE WHERE THE BEST AND BRIGHTEST MINDS IN MEDICINE COLLABORATE TO PROVIDE THE HIGHEST QUALITY, CLINICALLY PROVEN AND MOST TECHNOLOGICALLY ADVANCED CARE POSSIBLE. EXPERIENCED, PIONEERING MEDICAL PRACTITIONERS GUIDE THE NEXT GENERATION OF RESEARCHERS AND HEALTHCARE PROVIDERS IN THE DISCOVERY OF NEW CURES AND TREATMENTS, AND

OFFER PATIENTS THE LATEST, MOST EFFECTIVE DIAGNOSTIC AND TREATMENT OPTIONS BEFORE THEY ARE AVAILABLE ELSEWHERE. CLINICAL TRIALS AT BRIDGEPORT HOSPITAL AND THE YALE SCHOOL OF MEDICINE INCLUDE PHASE TWO TRIALS, WHICH TESTS FOR EFFICACY AND DOSAGE IN SEVERAL HUNDRED PATIENTS, PHASE THREE TRIALS, WHICH MEASURE THE DRUG OR PROCEDURE AGAINST THE BEST STANDARD TREATMENT, AND OTHER TYPES OF TRIALS TESTING THE SAFETY OF VARIOUS TYPES OF MEDICAL EQUIPMENT. CLINICAL TRIALS ARE AVAILABLE IN CANCER, CARDIOVASCULAR, MEDICINE, AND SURGERY.

THE CLINICAL TRIALS COOPERATIVE GROUP PROGRAM AT BRIDGEPORT HOSPITAL, WHICH IS SPONSORED BY THE NATIONAL CANCER INSTITUTE (NCI), IS DESIGNED TO PROMOTE AND SUPPORT CLINICAL TRIALS OF NEW CANCER TREATMENTS, EXPLORE METHODS OF CANCER PREVENTION AND EARLY DETECTION, AND STUDY

Part VI Supplemental Information *(Continuation)*

QUALITY-OF-LIFE ISSUES AND REHABILITATION DURING AND AFTER TREATMENT. BRIDGEPORT HOSPITAL OFFERS A NUMBER OF CLINICAL TRIALS AT VARIOUS LOCATIONS IN THE COMMUNITY. THERE ARE MANY TRIALS AVAILABLE FOR THE FOLLOWING CANCERS: BREAST CANCER, COLORECTAL CANCER, LUNG CANCER, PANCREATIC CANCER, KIDNEY CANCER, AND METASTATIC BREAST CANCER. THE BRIDGEPORT HOSPITAL NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CENTER THROUGH THE BRIDGEPORT HOSPITAL FOUNDATION PROVIDES FUNDING FOR THE RESEARCH COORDINATOR AND DATA COORDINATOR ANNUALLY. ADDITIONAL GRANT FUNDING IS OBTAINED THROUGH THE NATIONAL INSTITUTES OF HEALTH.

STATE CANCER REGISTRIES ENABLE PUBLIC HEALTH PROFESSIONALS TO BETTER UNDERSTAND AND ADDRESS CANCER BURDEN. REGISTRY DATA ARE CRITICAL FOR TARGETING PROGRAMS FOCUSED ON RISK-RELATED BEHAVIORS OR ON ENVIRONMENTAL RISK FACTORS. SUCH INFORMATION IS ALSO ESSENTIAL FOR IDENTIFYING WHEN AND WHERE CANCER SCREENING EFFORTS SHOULD BE ENHANCED AND FOR MONITORING THE TREATMENT PROVIDED TO CANCER PATIENTS. IN ADDITION, RELIABLE REGISTRY DATA ARE FUNDAMENTAL TO A VARIETY OF RESEARCH EFFORTS, INCLUDING THOSE AIMED AT EVALUATING THE EFFECTIVENESS OF CANCER PREVENTION, CONTROL OR TREATMENT PROGRAMS. IN THE UNITED STATES, THESE DATA ARE REPORTED TO A CENTRAL STATEWIDE REGISTRY FROM VARIOUS MEDICAL FACILITIES INCLUDING HOSPITALS, PHYSICIANS' OFFICES, THERAPEUTIC RADIATION FACILITIES, FREESTANDING SURGICAL CENTERS AND PATHOLOGY LABORATORIES. DURING FISCAL YEAR 2014, THE TOTAL COST ASSOCIATED WITH THE BRIDGEPORT HOSPITAL CANCER REGISTRY WAS $190,932.

CREATING HEALTHIER COMMUNITIES

IN FISCAL YEAR 2014, BRIDGEPORT HOSPITAL CONTINUED TO WORK CLOSELY WITH A NUMBER OF NOT-FOR-PROFIT ORGANIZATIONS AND SUPPORTED EFFORTS TO CREATE A HEALTHIER COMMUNITY THROUGH FINANCIAL AND IN-KIND SERVICES TOTALING NEARLY $112,160. EXAMPLES OF THESE EFFORTS ARE INCLUDED BELOW.

Part VI Supplemental Information *(Continuation)*

BRIDGEPORT HOSPITAL IS ONE OF THE FOUNDING MEMBERS OF THE PRIMARY CARE ACTION GROUP. FORMED OVER TEN YEARS AGO, THE COALITION INCLUDES TWO COMMUNITY HOSPITALS, FIVE HEALTH DEPARTMENTS AND DISTRICTS, THREE COMMUNITY HEALTH CENTERS, STATE AGENCIES, PHYSICIANS AND COMMUNITY ORGANIZATIONS. IN FISCAL YEAR 2014, THE PRIMARY CARE ACTION GROUP FOCUSED ON IMPLEMENTATION OF THE GREATER BRIDGEPORT COMMUNITY HEALTH IMPLEMENTATION PLAN.

GET HEALTHY CT, WHICH WAS FORMED BY MEMBERS OF THE PRIMARY CARE ACTION GROUP, CONTINUED TO EXPAND ITS REACH AND IMPACT DURING 2014. GET HEALTHY CT IS A COALITION DEDICATED TO PREVENTING AND REDUCING OBESITY BY REMOVING THE BARRIERS TO HEALTHY EATING AND PHYSICAL ACTIVITY THROUGH THE INCLUSIVE COLLABORATION OF KEY STAKEHOLDERS IN THE COMMUNITY. GET HEALTHY CT WAS FORMED IN GREATER BRIDGEPORT IN 2010 AND HAS EXPANDED TO INCLUDE A CHAPTER IN NEW HAVEN AND COORDINATED EFFORTS IN GREENWICH. THE APPROACH OF GET HEALTHY CT IS TO IDENTIFY EXISTING RESOURCES AND PROGRAMS AND UTILIZE ITS WEBSITE AS THE CENTRAL CONNECTING POINT FOR INFORMATION AND COLLABORATION. GET HEALTHY CT EFFORTS CENTER AROUND FOUR FOCUS AREAS: EDUCATE AND RAISE AWARENESS, ENCOURAGE COMMUNITY COLLABORATION AND COMMITMENT, IDENTIFY LOCAL RESOURCES AND INFORM PUBLIC POLICY. USING A MULTI-SECTOR APPROACH TO ADDRESS OBESITY, THE GET HEALTHY CT COALITION HAS GROWN TO OVER 100 MEMBER ORGANIZATIONS INCLUDING HEALTH CARE PROVIDERS, HEALTH DEPARTMENTS AND HEALTH DISTRICTS, SOCIAL SERVICE PROVIDERS, COLLEGES AND UNIVERSITIES, BUSINESSES, TOWN AND LEGISLATIVE LEADERS, RESEARCHERS, AND FAITH-BASED ORGANIZATIONS. IN-KIND AND FINANCIAL SUPPORT FOR GET HEALTHY CT IS PROVIDED BY MEMBER ORGANIZATIONS INCLUDING YALE NEW HAVEN HEALTH SYSTEM AND BRIDGEPORT HOSPITAL.

IN 2014, OVER 15 CHILDREN PARTICIPATED IN THE BRIDGEPORT HOSPITAL HAPPY

Part VI Supplemental Information *(Continuation)*

HEALTHY KIDZ PROGRAM OFFERED AT THE AHLBIN CENTER. HAPPY HEALTHY KIDZ IS A NUTRITION AND FITNESS PROGRAM FOR CHILDREN WHO ARE OVERWEIGHT. THE NINE WEEK PROGRAM PROMOTES HEALTHY EATING AND ACTIVITY HABITS AND IS OFFERED FREE OF CHARGE THANKS TO A GRANT FROM THE AHLBIN CENTER AUXILIARY. THE PROGRAM PROVIDES NUTRITIONAL EDUCATION FROM REGISTERED DIETITIANS TAILORED FOR ELEMENTARY AGE CHILDREN AS WELL AS FITNESS INSTRUCTION AND EDUCATION PROVIDED BY CERTIFIED FITNESS TRAINERS. THE HOSPITAL ALSO WORKS COLLABORATIVELY WITH MANY ORGANIZATIONS WITHIN THE GREATER BRIDGEPORT AREA AND PROVIDES EXPERTISE TO THE GOVERNING BODIES OF OTHER ORGANIZATIONS. AS A RESULT, THE HOSPITAL PROVIDED IN-KIND SUPPORT TO ORGANIZATIONS AND COALITIONS SUCH AS THE BRIDGEPORT REGIONAL BUSINESS COUNCIL'S HEALTH CARE COUNCIL, BRIDGEPORT YMCA, CARDINAL SHEEHAN CENTER, CENTRAL CONNECTICUT COAST YMCA, CHILD AND FAMILY GUIDANCE CENTER OF BRIDGEPORT, GET HEALTHY CT, PRIMARY CARE ACTION GROUP, OPTIMUS HEALTHCARE, RECOVERY NETWORK OF PROGRAMS, RONALD MCDONALD HOUSE OF CT, TINY MIRACLES FOUNDATION, UNIVERSITY OF CONNECTICUT ALLIED HEALTH ADVISORY BOARD AND VNS OF CONNECTICUT. HOSPITAL EMPLOYEES ALSO RECRUITED VOLUNTEER WALKERS TO HELP RAISE AWARENESS AND FUNDS FOR THE AMERICAN HEART ASSOCIATION AND AMERICAN CANCER SOCIETY. THE EVENTS SUPPORT RESEARCH AND PATIENT EDUCATION INITIATIVES.

SUPPLEMENTAL INFORMATION

IN ADDITION TO THE ACTIVITIES DESCRIBED, BRIDGEPORT HOSPITAL ALSO CONTRIBUTES TO THE COMMUNITY IN WAYS THAT ARE NOT QUANTIFIED AS PART OF THIS REPORT AND SERVES AS AN IMPORTANT COMMUNITY RESOURCE. THIS INCLUDES HAVING A COMMUNITY-BASED BOARD OF TRUSTEES WITH MANY MEMBERS RESIDING OR WORKING IN THE AREA SERVED BY THE HOSPITAL. THE HOSPITAL ALSO EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN

Part VI | Supplemental Information *(Continuation)*

ITS COMMUNITY. IN FISCAL YEAR 2014 THERE WERE A TOTAL OF 887 MEMBERS OF THE BRIDGEPORT HOSPITAL MEDICAL STAFF.

BRIDGEPORT HOSPITAL'S EXCELLENT PROGRESS IN ENSURING PATIENT CARE SAFETY AND CLINICAL QUALITY, INCREASING EMPLOYEE ENGAGEMENT, STRONG INPATIENT VOLUME, ADVANCES IN OUTPATIENT STRATEGY AND INVESTMENT IN FACILITIES RESULTED IN A SUCCESSFUL YEAR. THE HOSPITAL'S OPERATIONAL AND FISCAL MANAGEMENT PRODUCED EXCELLENT FINANCIAL RESULTS. HIGHLIGHTS OF THE YEAR AT BRIDGEPORT HOSPITAL INCLUDED:

GROUNDBREAKING FOR A NEW 120,000-SQUARE-FOOT MEDICAL OFFICE BUILDING AT THE BRIDGEPORT HOSPITAL OUTPATIENT CAMPUS, 5520 PARK AVENUE, TRUMBULL, WAS HELD IN SEPTEMBER. THE CEREMONY INCLUDED THE OPENING OF A FOUR-STORY, 450-SPACE PARKING GARAGE. SERVICES IN THE NEW BUILDING WILL INCLUDE A PRIMARY CARE OFFICE, OUTPATIENT SURGERY AND GASTROENTEROLOGY SUITE, AND SMILOW CANCER HOSPITAL OUTPATIENT CARE, INCLUDING MEDICAL, SURGICAL AND RADIATION ONCOLOGY AND EXPANDED RADIOLOGY SERVICES, SUCH AS MRI, CT AND PET SCANS.

FOLLOWING EXTENSIVE RENOVATIONS TO THE FIRST FLOOR OF THE PERRY BUILDING ON THE HOSPITAL'S MAIN CAMPUS, NEW QUARTERS FOR THE MEDEASE AMBULATORY MEDICINE UNIT AND GYN-ONCOLOGY AND UROGYNECOLOGY SPECIALTY CLINICS OPENED IN MARCH. THE WORK INCLUDED A NEW ENTRANCE FROM GRANT STREET PLAZA AND NEW WAITING/RECEPTION AREA, EXAM ROOMS AND INFUSION ROOM. IN ADDITION, TWO OPERATING ROOMS AND THE WEST TOWER 10 INTERNAL MEDICINE UNIT WERE MODERNIZED.

THE UNIVERSITY OF BRIDGEPORT (UB) AND BRIDGEPORT HOSPITAL SIGNED AN AGREEMENT TO INTEGRATE THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING INTO UB AND TRANSITION THE CURRENT TWO-YEAR RN DIPLOMA PROGRAM TO A FOUR-YEAR BACHELOR OF SCIENCE IN NURSING PROGRAM. MEANWHILE, AN INTERIM PLAN PROVIDES UB STUDENTS WITH A PATHWAY TO NURSING CURRICULUM.

Part VI Supplemental Information *(Continuation)*

COMMUNITY MEMBERS UTILIZE BRIDGEPORT HOSPITAL AS A VEHICLE TO CONNECT WITH AND CONTRIBUTE TO INDIVIDUALS AND THE OVERALL COMMUNITY THROUGH PHILANTHROPY AND VOLUNTEERING. IN FISCAL YEAR 2014, 343 ACTIVE VOLUNTEERS DEDICATED A TOTAL OF 29,050 SERVICE HOURS TO THE HOSPITAL. VOLUNTEERS WERE PLACED IN BOTH PATIENT AND NON-PATIENT AREAS INCLUDING ED, SURGEASE, ENDOSCOPY, LABOR & DELIVERY, CANCER RESOURCE CENTER, GIFT SHOP, MAIL ROOM, AND NUTRITION SERVICES. THE HOSPITAL CONDUCTS A VARIETY OF FUNDRAISING ACTIVITIES EACH YEAR, SUCH AS A ROAD RACE, GOLF AND TENNIS TOURNAMENTS, GALAS AND PIANO RECITALS, WHICH HELP TO CONNECT THE COMMUNITY TO THE HOSPITAL TO SUPPORT GOODWILL AND REPUTATION AS WELL AS FUNDRAISING EFFORTS.

PART VI, LINE 6 - AFFILIATED HEALTH CARE INFORMATION

THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE THE HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL PATIENTS HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES. THE YALE NEW HAVEN HEALTH SYSTEM REQUIRES ITS HOSPITALS TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THE HOSPITAL'S EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE. IN ADDITION, REGULAR REPORTING ON COMMUNITY BENEFITS IS REQUIRED ON A QUARTERLY BASIS.

PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT:

CONNECTICUT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ..... [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
FAMILY CENTERS INC. P.O.BOX 7550 GREENWICH, CT 06836	06-0646656	501(C)(3)	50,000.	0.			SUPPORT MISSION
P T BARNUM FOUNDATION INC 1070 MAIN ST BRIDGEPORT, CT 06604	22-2655681	501(C)(3)	5,000.	0.			SUPPORT MISSION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... ▶ 2.

3 Enter total number of other organizations listed in the line 1 table ..... ▶ 0.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2013)

DOHP2256

332101
10-29-13

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS. THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION. BRIDGEPORT HOSPITAL ("BH") CARRIES OUT DUE DILIGENCE IN PROVIDING MONETARY ASSISTANCE ONLY TO QUALIFYING 501(C)3 ORGANIZATIONS THAT COMPLEMENT ITS MISSION OR SUPPORT THE GREATER GOOD IN THE COMMUNITIES SERVES. BH VERIFIES EACH ORGANIZATION'S EIN AS LISTED ON IRS FORM W-9 THAT HAS BEEN SUBMITTED TO BH. ASSISTANCE DONATED BY BH TO THESE QUALIFYING

DOHP2257

Part IV Supplemental Information

ORGANIZATIONS IS NOT OUTCOMES-BASED AND IS GIVEN IN SUPPORT OF AN INDIVIDUAL ORGANIZATION'S FUNDRAISING EVENTS OR IN SUPPORT OF DIRECT SERVICES. BH MAINTAINS FULL AND COMPLETE RECORDS OF ALL MONETARY ASSISTANCE PROVIDED, HOWEVER DOES NOT MONITOR SPECIFIC FUNDS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) WILLIAM JENNINGS	(i)	440,314.	152,446.	48,237.	166,958.	32,551.	840,506.	0.
PRESIDENT & CEO/DIRECTOR	(ii)	237,092.	82,087.	25,973.	89,900.	17,527.	452,579.	0.
(2) GAYLE CAPOZZALO	(i)	65,868.	23,002.	41,904.	14,365.	4,605.	149,744.	0.
DIRECTOR	(ii)	592,810.	207,014.	377,136.	129,284.	41,445.	1,347,689.	0.
(3) STEPHEN MARSHALKO	(i)	0.	0.	154,212.	0.	0.	154,212.	0.
DIRECTOR	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) MICHAEL IVY	(i)	376,596.	60,823.	28,400.	15,790.	45,265.	526,874.	0.
SR. VP MEDICAL AFFAIRS	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MARYELLEN KOSTURKO	(i)	255,601.	60,795.	22,900.	23,735.	12,421.	375,452.	0.
SR. VP PATIENT CARE OPERATIONS	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) CAROLYN SALSGIVER	(i)	242,593.	62,705.	47,022.	116,146.	25,792.	494,258.	0.
SR. VP STRATEGY & BUSINESS PLANNING	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) MELISSA TURNER	(i)	122,606.	31,482.	23,049.	50,184.	11,672.	238,993.	0.
SR. VP HUMAN RESOURCE	(ii)	122,605.	31,483.	23,050.	50,184.	11,672.	238,994.	0.
(8) PATRICK MCCABE	(i)	212,358.	51,794.	28,134.	88,953.	9,265.	390,504.	13,913.
SR. VP, CFO & TREASURER	(ii)	259,548.	63,303.	34,387.	108,721.	11,323.	477,282.	17,005.
(9) MARC BRUNETTI	(i)	208,394.	29,712.	14,486.	20,058.	45,620.	318,270.	0.
VP OF SUPPORT OPERATIONS	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) RYAN O'CONNELL	(i)	300,961.	300.	12,192.	13,437.	48,842.	375,732.	0.
VP OF PERFORMANCE & RISK MGMT	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) PATRICK SCHMINCKE (THRU 6/2014)	(i)	202,482.	31,123.	15,254.	15,237.	31,625.	295,721.	0.
VP OF CLINICAL ADMINISTRATION	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) JOHN SKELLY	(i)	408,026.	100,765.	69,304.	163,996.	23,267.	765,358.	9,357.
VP OF FINANCE	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) NORMAN ROTH	(i)	384,535.	141,486.	59,302.	151,365.	12,902.	749,590.	1,313.
EXECTIVE VP,COO & SEC.	(ii)	96,134.	35,371.	14,826.	37,841.	3,226.	187,398.	329.
(14) ROCKMAN FERRIGNO	(i)	391,451.	23,077.	17,500.	15,202.	25,524.	472,754.	0.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) JONATHAN MAISEL	(i)	306,710.	90,649.	23,000.	25,500.	25,377.	471,236.	0.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) GUILLERMO KATIGBAK	(i)	342,171.	0.	17,415.	25,500.	19,240.	404,326.	0.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.

DOHP2260

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) THOMAS LAMONTE	(i)	339,843.	0.	23,000.	25,500.	25,362.	413,705.	0.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) JUSTIN CAHILL	(i)	326,523.	0.	17,500.	16,379.	13,304.	373,706.	0.
PHYSICIAN	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) JOSEPH JANELL (THRU 1/2012)	(i)	0.	0.	267,707.	0.	0.	267,707.	264,750.
FORMER OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) ROBERT TREFRY (THRU 9/2010)	(i)	0.	0.	0.	0.	0.	0.	0.
FORMER OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(21) BRUCE MCDONALD (THRU 10/2013)	(i)	0.	0.	0.	0.	0.	0.	0.
FORMER OFFICER	(ii)	146,319.	81,776.	22,770.	22,404.	12,119.	285,388.	22,325.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

DOHP2261

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B:

SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS:

	SEVERANCE	NONQUALIFIED	EQUITY-BASED
PATRICK MCCABE	$0	$91,524	$0
WILLIAM M. JENNINGS	$0	$139,208	$0
MELLISSA TURNER	$0	$53,317	$0
JOHN SKELLY	$0	$85,346	$0
NORMAN ROTH	$0	$109,556	$0
CAROLYN SALSGIVER	$0	$55,496	$0

THE INDIVIDUALS LISTED ABOVE ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION) AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS CONSISTENT WITH THE COMPENSATION REPORTING PER IRS INSTRUCTIONS.

INDIVIDUAL LISTED BELOW BECAME VESTED IN BENEFIT VALUED AT THE AMOUNT RESPECTIVELY REPORTED DURING THE REPORTING YEAR. INCLUDED IN SECTION II, COLUMN B (III) IS AMOUNT VESTED DURING THE 2013 CALENDAR YEAR THAT WAS

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

RECOGNIZED AS TAXABLE EVENT AND REPORTED IN THE INDIVIDUAL'S 2013 CALENDAR YEAR FORM W-2.

GAYLE CAPOZZALO $ 322,870

TWO FORMER OFFICERS, ROBERT TREFRY AND JOSEPH JANNEL, RECEIVED PAYMENTS FROM THE NONQUALIFIED PLAN. THESE AMOUNTS ARE NOT INCLUDED IN COLUMN B OR C. THE FOLLOWING PAYMENTS WERE MADE DIRECTLY TO THEM FROM THE RABBI TRUST:

ROBERT TREFRY	$216,182
JOSEPH JANELL	33,365

THE SUPPLEMENTAL RETIREMENT PLAN IS DESIGNED TO ENSURE THE PAYMENT OF A COMPETITIVE LEVEL OF RETIREMENT INCOME WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME IN ORDER TO ATTRACT AND RETAIN KEY MANAGEMENT EMPLOYEES SERVING AS CORPORATE OFFICERS. THE PLAN PROVIDES SUPPLEMENTAL RETIREMENT INCOME THROUGH AN UNFUNDED, NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT UNDER SECTION 457(F) AND THROUGH A DEFERRED COMPENSATION PLAN UNDER SECTION 409A OF THE INTERNAL REVENUE CODE AND A MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES' PLAN UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

(ERISA).

PART I, LINE 7:

NON-FIXED PAYMENTS PROVIDED

THE SHORT TERM INCENTIVE PLAN IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF MANAGEMENT IN RECOGNITION OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES. PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES. INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY. PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES.

DOHP2264

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013
Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CHEFA- SERIES D	06-0806186	20774YJE8	05/31/12	40,467,946.	REFINANCING A & C ISSUED 92 & 95		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	40,467,946.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	781,263.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	39,686,683.			
12	Other unspent proceeds				
13	Year of substantial completion	2012			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

DOHP2265

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?								
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Does the bond issue meet the private security or payment test?								
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?								
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?	X							
b Exception to rebate?	X							
c No rebate due?		X						
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

DOHP2266

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
6 Were any gross proceeds invested beyond an available temporary period?								
7 Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

DOHP2267

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) No
Total ▶ $												

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
CENTURY FINANCIAL SERVICES	SEE SCHEDULE O	314,167.	SEE PART V		X
CONNECTICUT NEUROSURGICAL	SEE SCHEDULE O	333,621.	SEE PART V		X
EBP SUPPLY SOLUTIONS	SEE SCHEDULE O	153,142.	SEE PART V		X
PEOPLE'S UNITED FINANCIAL	SEE SCHEDULE O	329,847.	SEE PART V		X
SIKORSKY AIRCRAFT CORPORAT	SEE SCHEDULE O	866,148.	SEE PART V		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: CENTURY FINANCIAL SERVICES, INC.

(A) NAME OF PERSON: CONNECTICUT NEUROSURGICAL SPECIALISTS, P.C.

(A) NAME OF PERSON: SIKORSKY AIRCRAFT CORPORATION

PART IV, COLUMN D

NAME OF INTERESTED PERSON: CENTURY FINANCIAL SERVICES, INC.

OFFICER PATRICK MCCABE IS AN OFFICER AND DIRECTOR OF CENTURY FINANCIAL SERVICES, INC.

CENTURY FINANCIAL SERVICES, INC. PROVIDES BILLING AND COLLECTION SERVICES FOR THE HOSPITAL. CENTURY FINANCIAL SERVICES, INC. IS PARTIALLY OWNED BY THE HOSPITAL'S CORPORATE PARENT, BRIDGEPORT HOSPITAL AND HEALTHCARE SERVICES, INC.

AMOUNT OF TRANSACTION: $314,167

NAME OF INTERESTED PERSON: CONNECTICUT NEUROSURGICAL SPECIALISTS, P.C.

TRUSTEE GARY ZIMMERMAN, M.D. IS A SHAREHOLDER AND OFFICER OF CONNECTICUT NEUROSURGICAL SPECIALISTS, P.C.

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

CONNECTICUT NEUROSURGICAL SPECIALISTS, P.C. PROVIDES MEDICAL SERVICES TO THE HOSPITAL.

AMOUNT OF TRANSACTION: $333,621

NAME OF INTERESTED PERSON: EBP SUPPLY SOLUTIONS

TRUSTEE MEREDITH REUBEN IS THE SOLE STOCKHOLDER AND CHIEF EXECUTIVE OFFICER OF EBP SUPPLY SOLUTIONS. AFTER PERFORMING AN OBJECTIVE REVIEW PROCESS, WHICH INCLUDED A COMPARISON TO COMPETITIVE ALTERNATIVES AVAILABLE IN THE MARKETPLACE AND IN WHICH MS. REUBEN WAS NOT INVOLVED, THE HOSPITAL PURCHASED JANITORIAL AND FOOD SERVICE SUPPLIES AND SERVICES FROM EBP SUPPLY SOLUTIONS.

AMOUNT OF TRANSACTION: $153,142

NAME OF INTERESTED PERSON: PEOPLE'S UNITED FINANCIAL

TRUSTEES GEORGE CARTER AND RICHARD HOYT ARE DIRECTORS OF PEOPLE'S UNITED FINANCIAL

PEOPLE'S UNITED FINANCIAL PROVIDES CERTAIN FINANCIAL MANAGEMENT SERVICES TO THE HOSPITAL.

AMOUNT OF TRANSACTION: $329,847

NAME OF INTERESTED PERSON: SIKORSKY AIRCRAFT CORPORATION

TRUSTEE MICK MAUER IS AN OFFICER OF SIKORSKY AIRCRAFT CORPORATION

THE HOSPITAL PROVIDES NURSES AND ADMINISTRATIVE SERVICES TO THE SIKORSKY AIRCRAFT CORPORATION MEDICAL DEPARTMENT.

AMOUNT OF TRANSACTION: $866,148

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

BRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING 18,208 INPATIENTS AND MORE THAN 277,000 OUTPATIENT ENCOUNTERS IN 2014. A MEMBER OF YNHHS SINCE 1996, BRIDGEPORT HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER; THE JOEL E. SMILOW HEART INSTITUTE; THE NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CENTER, THE WOMEN'S CARE CENTER, CENTER FOR WOUND HEALING AND HYPERBARIC MEDICINE AND AHLBIN CENTERS FOR REHABILITATION MEDICINE. BRIDGEPORT HOSPITAL IS ALSO HOME TO THE SECOND INPATIENT CAMPUS OF YALE-NEW HAVEN CHILDREN'S HOSPITAL.

DURING FISCAL YEAR 2014, BRIDGEPORT HOSPITAL PROVIDED APPROXIMATELY $66.4 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES $53.5 MILLION IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $10.3 MILLION IN HEALTH PROFESSIONS EDUCATION, AND OVER $2.6 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $90,759 WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY AND COALITION BUILDING. BRIDGEPORT HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

FORM 990, PART VI:

PART I, LINE 4 & PART VI, LINE 1B

NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

PURSUANT TO THE ORGANIZATION'S BYLAWS, THE ORGANIZATION'S SOLE MEMBER, YALE-NEW HAVEN HEALTH SERVICES CORPORATION, AN EXEMPT ORGANIZATION UNDER SECTION 501(C)(3) OF THE CODE (THE "PARENT"), APPOINTS OR APPROVES THE ORGANIZATION'S BOARD OF DIRECTORS. THE BYLAWS REQUIRE THAT THE ORGANIZATION'S BOARD OF DIRECTORS BE COMPRISED OF INDIVIDUALS WHO ARE, OR ARE APPOINTED BY, (1) OFFICERS OR EMPLOYEES OF THE PARENT, (2) OFFICERS OR EMPLOYEES OF A RELATED ORGANIZATION OF THE PARENT OR (3) OFFICERS, EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION. AS A RESULT, THE MAJORITY OF THE ORGANIZATION'S CURRENT VOTING MEMBERS ARE NOT INDEPENDENT BECAUSE THEY ARE COMPENSATED AS OFFICERS OR EMPLOYEES OF THE ORGANIZATION OR A RELATED ORGANIZATION. CERTAIN OF THESE INDIVIDUALS ARE MEMBERS OF THE ORGANIZATION'S BOARD OF DIRECTORS ONLY AS A FUNCTION OF THEIR ROLES WITH THE PARENT OR THE ORGANIZATION AND CERTAIN OTHERS ARE REQUIRED TO BE EMPLOYEES BY THE ORGANIZATION'S BYLAWS.

FORM 990, PART VI, SECTION A, LINE 2:

BUSINESS RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES, OR KEY EMPLOYEES:

TRUSTEES GEORGE P. CARTER AND RICHARD M. HOYT ARE BOARD MEMBERS OF THE SAME BUSINESS ENTITY.

FORM 990, PART VI, SECTION A, LINE 4:

BRIDGEPORT HOSPITAL AMENDED AND RESTATED ITS ORGANIZATIONAL DOCUMENTS EFFECTIVE MAY 16, 2014 SO THAT ITS BYLAWS AND CHARTER WERE IN CONFORMANCE WITH THOSE OF OTHER ENTITIES AFFILIATED WITH YALE NEW HAVEN HEALTH SYSTEM. THE BYLAWS REVISIONS CHANGED THE TERMS OF TRUSTEES FROM 2 TO 3 YEARS, EXPANDED THE RESERVE POWERS OF THE CORPORATE PARENT, YALE-NEW HAVEN HEALTH SERVICES CORPORATION, AND MADE OTHER CHANGES CONSISTENT WITH

Name of the organization BRIDGEPORT HOSPITAL | Employer identification number 06-0646554

NORTHEAST MEDICAL GROUP JOINING THE YALE NEW HAVEN OBLIGATED GROUP.

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE MEMBER OF BRIDGEPORT HOSPITAL WAS BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES 10/1/13-5/16/14. YALE NEW HAVEN HEALTH SERVICES CORPORATION BECAME THE SOLE MEMBER OF BRIDGEPORT HOSPITAL EFFECTIVE 5/17/14.

FORM 990, PART VI, SECTION A, LINE 7A:

THE HOSPITAL IS GOVERNED BY ITS BOARD OF DIRECTORS, WHICH ELECTS THE PERSONS TO SERVE ON SUCH BOARD OF DIRECTORS

FORM 990, PART VI, SECTION A, LINE 7B:

THE MEMBER, YALE-NEW HAVEN HEALTH SERVICES CORPORATION, HAS THE RIGHT TO ELECT THE BOARD OF DIRECTORS OF THE ORGANIZATION, AND (ON THE RECOMMENDATION OF THE BOARD OF DIRECTORS) THE FOLLOWING ADDITIONAL RIGHTS: TO APPROVE OPERATING, CASH FLOW AND CAPITAL BUDGETS; TO APPROVE GRADUATE AND UNDERGRADUATE MEDICAL EDUCATION ARRANGEMENTS; TO APPROVE MAJOR NEW CLINICAL PROGRAMS AND SERVICES AND CONTINUATION OF SAME; APPROVAL OF STRATEGIC PLANS; AND ADOPTION OF SAFETY AND QUALITY ASSESSMENT POLICIES; TO APPROVE THE MERGER, CONSOLIDATION, DISSOLUTION OR THE SALE OF ALL OR SUBSTANTIALLY ALL THE ORGANIZATION'S ASSETS; TO AMEND THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE ORGANIZATION, TO APPROVE THE EXECUTION OF LONG-TERM OR MATERIAL AGREEMENTS, TO APPROVE THE APPOINTMENT OF AN INDEPENDENT AUDITOR AND THE HIRING OF INDEPENDENT COUNSEL, TO AUTHORIZE THE EXECUTION OF CONTRACTS WITH AN UNRELATED THIRD PARTY FOR MANAGEMENT OF THE ASSETS OR OPERATIONS OF THE ORGANIZATION, AND TO APPROVE COMPENSATION OF EMPLOYED PHYSICIANS. YALE-NEW HAVEN HEALTH SERVICES CORPORATION RETAINS THE

FOLLOWING AUTHORITY: ADOPTION OF BUDGETARY TARGETS, INDEBTEDNESS, MANAGEMENT AND CONTROL OF LIQUID ASSETS, APPOINTMENT OF THE INDEPENDENT AUDITOR AND APPOINTMENT OF THE CEO.

FORM 990, PART VI, SECTION B, LINE 11:

THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT. THE RETURN IS INITIALLY REVIEWED BY THE ADMINISTRATIVE DIRECTOR OF FINANCE. SUBSEQUENTLY IT IS SENT TO ERNST & YOUNG US, LLP FOR THEIR INITIAL REVIEW. AFTER ALL COMMENTS FROM THE ABOVE GROUP ARE CLEARED, THE RETURN IS THEN REVIEWED BY THE CHIEF FINANCIAL OFFICER OF THE ENTITY AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US, LLP FOR FINAL REVIEW. PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF DIRECTORS VIA A WEB PORTAL.

FORM 990, PART VI, SECTION B, LINE 12C:

BRIDGEPORT HOSPITAL IS COVERED UNDER THE YALE NEW HAVEN HEALTH SERVICES CORP. CONFLICT OF INTEREST POLICY. THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC:R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES. THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER. COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT. THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST

POLICY. IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT SHE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST. FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL:

THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,

(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND

(3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS.

IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT AFFAIRS COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION B, LINE 15:

LINE 15B - COMPENSATION PROCESS FOR OTHER OFFICERS OR KEY EMPLOYEES:

THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR

(1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,

(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND

(3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS.

IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT AFFAIRS COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

ANY AVAILABLE COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT. OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY THE LEGAL AND RISK SERVICES DEPARTMENT. THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE. COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	54,355,809.
MANAGEMENT AND GENERAL EXPENSES	10,175,146.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	64,530,955.

Name of the organization: BRIDGEPORT HOSPITAL | Employer identification number: 06-0646554

PHYSICIAN FEES:	
PROGRAM SERVICE EXPENSES	25,415,178.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	25,415,178.
OTHER PROFESSIONAL FEES:	
PROGRAM SERVICE EXPENSES	8,678,486.
MANAGEMENT AND GENERAL EXPENSES	2,231,714.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	10,910,200.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	100,856,333.
FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:	
NET CHANGE IN INTEREST IN BRIDGEPORT HOSPITAL FOUNDATION	3,819,113.
INCREASE IN TEMP RESTRICTED NET ASSETS	1,246,000.
INCREASE IN PERM RESTRICTED NET ASSETS	955,000.
TRANSFER FROM YALE NEW HAVEN HEALTH SERVICES	-42,682,000.
TRANSFER FROM BRIDGEPORT HOSPITAL	-3,904,000.
NET ASSETS RELEASED FROM CAPITAL ACQUISITIONS	2,445,000.
PENSION LIABILITY ADJUSTMENT	-20,970,000.
OTHER TRANSFER	-13,000.
RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS	2,395,275.
RECLASS SERP ASSETS G/L	-563.
OTHER-NON-OPERATING INCOME ADJUSTMENT	434,511.
TOTAL TO FORM 990, PART XI, LINE 9	-56,274,664.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
GREENWICH HOSPITAL 06 0646659 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CONNECTICUT	501C3	LINE 3	GREENWICH HEALTH CARE SERVICES INC.	X	
GREENWICH HEALTH CARE SERVICES INC - 22-2593399, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	YALE NEW HAVEN HEALTH SERVICES CORP		X
THE GREENWICH HOSPITAL ENDOWMENT FUND INC - 06-1526642, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	
BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES - MERGED 5/2014 - 06-1066729, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X

DOHP2279

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
SOUTHERN CONNECTICUT HEALTH SYSTEM PROPERTIES, INC. - 06-1297708, 267 GRANT STREET, BRIDGEPORT, CT 06610	TITLE HOLDING	CONNECTICUT	501C2		SEE SCHEDULE R, PART VII	X	
BRIDGEPORT HOSPITAL AUXILIARY INC - 06-6042500, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	SEE SCHEDULE R, PART VII	X	
BRIDGEPORT HOSPITAL FOUNDATION, INC - 22-2908698, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 7	SEE SCHEDULE R, PART VII	X	
NORMA F PFREIM BREAST CANCER INC - MERGED 2/2014 - 06-0567752, 111 BEACH ROAD, FAIRFIELD, CT 06430	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSPITAL	X	
NORTHEAST MEDICAL GROUP INC - 06-1330992 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 9	YALE NEW HAVEN HEALTH SERVICES CORP	X	
NORTHEAST MEDICAL GROUP, PLLC - 35-2380180 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	NORTHEAST MEDICAL GROUP, INC	X	
YNH NETWORK CORP - MERGED 5/2014 - 06-1513687, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X
YALE-NEW HAVEN HOSPITAL - 06-0646652 20 YORK STREET NEW HAVEN, CT 06504	HEALTHCARE	CONNECTICUT	501C3	LINE 3	SEE SCHEDULE R, PART VII	X	
YALE-NEW HAVEN CARE CONTINUUM CORP - 45-5235566, 789 HOWARD AVE, NEW HAVEN, CT 06519	NURSING HOME	CONNECTICUT	501C3	LINE 3	SEE SCHEDULE R, PART VII	X	
CARITAS INSURANCE - 03-0322238 40 MAIN STREET BURLINGTON, VT 05401	INSURANCE	VERMONT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL	X	
YALE NEW HAVEN HEALTH SERVICES CORP - 22-2529464, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	N/A		X
PERRYRIDGE CORPORATION - 06-1207316 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	

DOHP2280

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL FRIENDS OF PEDIATRICS, INC. - 06-6048427, 120 COLUMBINE DRIVE, TRUMBULL, CT 06611	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE-NEW HAVEN HOSPITAL	X	

DOHP2281

Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
SHORELINE SURGERY CENTER LLC - 90-0110459, 60 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
SSC II LLC - 26-1709382 111 GOOSE LANE GUILFORD, CT 06437	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
ORTHOPAEDIC & NEUROSURGERY CENTER - 27-3477197, 55 HOLLY HILL LANE, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
YNHHS-MSO INC - 06-1467717 789 HOWARD AVE NEW HAVEN, CT 06519	MANAGEMENT SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
YALE NEW HAVEN AMBULATORY SERVICES - 06-1398526, 40 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
MEDICAL CENTER REALTY - 06-1110858 50 YORK STREET NEW HAVEN, CT 06511	RENTAL	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH HEALTH SERVICES INC - 06-1233643 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH PEDIATRIC SERVICES PC - DISSOLVED 9/2014 - 74-3054409, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	

DOHP2282

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
GREENWICH INTEGRATIVE MEDICINE DISSOLVED 9/2014 - 26-0236411, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH FERTILITY & IVF PC - 30-0145464 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
YORK ENTERPRISES INC 06 1110937 50 YORK STREET NEW HAVEN, CT 06511	TITLE HOLDING	CT	N/A	C CORP	N/A	N/A	N/A	X	
YNHH-PHYSICIANS CORP - 06-1202305 789 HOWARD AVE NEW HAVEN, CT 06519	ADMINISTRATIVE SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
MEDICAL CENTER PHARMACY - 06-1087673 50 YORK STREET NEW HAVEN, CT 06511	PHARMACY	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH OCCUPATIONAL HEALTH SERVICES INC - 06-1540101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NY	N/A	C CORP	N/A	N/A	N/A	X	
LUKAN INDEMNITY COMPANY - 98-1072793 58 PAR-LA-VALLIS RD HAMILTON, BERMUDA, BERMUDA	INSURANCE	BERMUDA	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH OCCUPATIONAL HEALTH SERVICES OF NEW JERSEY - 45-3833883, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NJ	N/A	C CORP	N/A	N/A	N/A	X	
PRIMARYNET OF CONNECTICUT, INC. - 06-1463534 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY FINANCIAL SERVICES, INC. - 06-1110797, 23 MAIDEN LANE, NORTH HAVEN, CT 06473	DEBT COLLECTION	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY MANAGEMENT SERVICES, INC. - 06-1303173, 23 MAIDEN LANE, NORTH HAVEN, CT 06473	RECEIVABLE MANAGEMENT	CT	N/A	C CORP	N/A	N/A	N/A	X	

DOHP2283

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	YALE NEW HAVEN SERVICES CORPORATION	P	9,480,937.	TRANSACTION REVIEW
(2)	YALE NEW HAVEN SERVICES CORPORATION	M	65,145,444.	COMPARABLE MARKET VALUE
(3)	BRIDGEPORT HOSPITAL FOUNDATION, INC	Q	2,808,797.	TRANSACTION REVIEW
(4)	BRIDGEPORT HOSPITAL FOUNDATION, INC	L	1,966,505.	TRANSACTION REVIEW
(5)	BRIDGEPORT HOSPITAL AND HEALTHCARE	S	3,904,550.	TRANSACTION REVIEW
(6)	YALE NEW HAVEN SERVICES CORPORATION	R	25,000,000.	CASH

DOHP2284

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

DOHP2285

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

PART II (F), DIRECT CONTROLLING ENTITY OF TAX-EXEMPT ORGANIZATIONS:

BRIDGEPORT HOSPITAL AUXILIARY INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL FOUNDATION, INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

SOUTHERN CT HEALTH SYSTEM PROPERTIES INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN CARE CONTINUUM CORP -

YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN HOSPITAL -

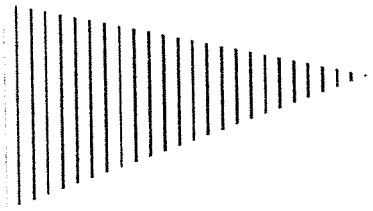
YNH NETWORK CORP 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

Consolidated Financial Statements and Supplementary Information

Bridgeport Hospital and Subsidiaries
Years Ended September 30, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



Building a better working world

Bridgeport Hospital and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2014 and 2013

Contents

Report of Independent Auditors....1

Consolidated Financial Statements

Consolidated Balance Sheets....3
Consolidated Statements of Operations and Changes in Net Assets....5
Consolidated Statements of Cash Flows....7
Notes to Consolidated Financial Statements....8

Supplementary Information

Report of Independent Auditors on Supplementary Information....44
Consolidating Balance Sheet....45
Consolidating Statement of Operations and Changes in Net Assets....47

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Building a better working world

Report of Independent Auditors

The Board of Directors
Bridgeport Hospital and Subsidiaries

We have audited the accompanying consolidated financial statements of Bridgeport Hospital and Subsidiaries, which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member firm of Ernst & Young Global Limited

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bridgeport Hospital and Subsidiaries at September 30, 2014 and 2013, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Bridgeport Hospital and Subsidiaries

Consolidated Balance Sheets

	September 30 2014	2013
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	$ 29,461	$ 30,636
Short-term investments	72,752	64,307
Accounts receivable for services to patients, less allowances for uncollectible accounts, charity, and free care of approximately $46,427 in 2014 and $42,242 in 2013	49,732	51,432
Professional liabilities insurance recoveries receivable – current portion	8,273	10,552
Other current assets	21,191	17,755
Assets limited as to use	247	–
Total current assets	181,656	174,682
Assets limited as to use	5,066	–
Long-term investments	54,499	53,099
Professional liabilities insurance recoveries receivable – non-current	19,303	22,167
Deferred financing costs	1,290	862
Other assets	28,755	31,023
Goodwill	17,217	17,217
Property, plant, and equipment:		
Land, buildings, and improvements	124,401	124,308
Equipment	308,888	285,812
	433,289	410,120
Less accumulated depreciation	304,089	285,773
	129,200	124,347
Construction in progress	37,001	19,477
	166,201	143,824
Total assets	$ 473,987	$ 442,874

	September 30	
	2014	2013
	(In Thousands)	
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 10,476**	$ 16,363
Accrued expenses	**58,490**	47,877
Current portion of long-term debt and capital lease obligation	**9,262**	32,205
Professional liabilities – current portion	**8,273**	10,552
Other current liabilities	**4,590**	5,306
Total current liabilities	**91,091**	112,303
Long-term debt, net of current portion	**79,882**	49,107
Long-term capital lease obligation, net of current portion	**20,160**	95
Accrued pension obligation	**58,281**	42,945
Professional liabilities	**33,169**	34,291
Other long-term liabilities	**34,631**	31,022
Total liabilities	**317,214**	269,763
Commitments and contingencies		
Net assets:		
Unrestricted	**101,751**	120,290
Temporarily restricted	**33,279**	32,033
Permanently restricted	**21,743**	20,788
Total net assets	**156,773**	173,111
Total liabilities and net assets	**$ 473,987**	$ 442,874

See accompanying notes.

Bridgeport Hospital and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2014	**2013**
	(In Thousands)	
Operating revenue:		
Net patient service revenue	**$ 459,680**	$ 446,753
Less provision for bad debts	**(20,305)**	(27,926)
Net patient service revenue, less provision for bad debts	**439,375**	418,827
Other revenue	**27,566**	26,208
Total operating revenue	**466,941**	445,035
Operating expenses:		
Salaries and benefits	**201,556**	195,993
Supplies and other expenses	**194,392**	191,236
Depreciation and amortization	**31,016**	22,858
Insurance	**480**	1,028
Interest	**2,566**	1,665
Total operating expenses	**430,010**	412,780
Income from operations	**36,931**	32,255
Non-operating gains and losses, net	**5,852**	3,969
Excess of revenue over expenses	**42,783**	36,224

Bridgeport Hospital and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2014	2013
	(In Thousands)	
Unrestricted net assets:		
Excess of revenue over expenses	**$ 42,783**	$ 36,224
Net assets released from restrictions used for capital acquisitions	**2,445**	879
Transfers (to) from Yale-New Haven Health Services Corporation	**(25,000)**	900
Transfers to Yale-New Haven Health Services Corporation – Mission Support	**(17,682)**	(12,995)
Other transfers	**(115)**	444
Pension liability adjustment	**(20,970)**	22,810
(Decrease) increase in unrestricted net assets	**(18,539)**	48,262
Temporarily restricted net assets:		
Net assets released from restrictions used for operations	**(7,069)**	(6,346)
Net assets released from restrictions used for capital acquisitions	**(2,445)**	(879)
Change in unrealized gains and losses on investments	**2,935**	2,330
Bequests, contributions, and grants	**6,328**	6,138
Net realized investment gains	**756**	1,042
Other changes in net assets	**741**	916
Increase in temporarily restricted net assets	**1,246**	3,201
Permanently restricted net assets:		
Bequests, contributions, and grants	**955**	916
Increase in permanently restricted net assets	**955**	916
(Decrease) increase in net assets	**(16,338)**	52,379
Net assets at beginning of year	**173,111**	120,732
Net assets at end of year	**$ 156,773**	$ 173,111

See accompanying notes.

Bridgeport Hospital and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2014	2013
	(In Thousands)	
Operating activities		
(Decrease) increase in net assets	$ (16,338)	$ 52,379
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	31,016	22,858
Provision for bad debts	20,305	27,926
Change in unrealized gains and losses on investments	(7,369)	(5,882)
Bequests, contributions, and grants	(7,283)	(7,054)
Amortization of long-term debt premium	(567)	(493)
Amortization of deferred financing cost	97	72
Pension liability adjustment	20,970	(22,810)
Changes in operating assets and liabilities:		
Accounts receivable, net	(18,605)	(36,375)
Other assets	(1,168)	(10,409)
Accounts payable	(5,887)	6,155
Accrued expenses	10,613	553
Professional insurance recoverable and liabilities	1,742	(17)
Other current liabilities, accrued pension obligation, and other long-term liabilities	(2,741)	(6,373)
Net cash provided by operating activities	24,785	20,530
Investing activities		
Net change in investments	(2,476)	5,530
Net purchases of assets limited as to use	(5,313)	1,875
Cash paid for acquisition, net of cash acquired	–	(13,516)
Acquisitions of property, plant, and equipment, net	(33,233)	(37,564)
Net cash used in investing activities	(41,022)	(43,675)
Financing activities		
Proceeds from line of credit	–	25,000
Proceeds from note payable	–	14,000
Proceeds from issuance of long-term debt	40,513	–
Payments on capital lease obligations	(48)	(73)
Payment for line of credit	(25,000)	–
Deferred financing costs	(525)	–
Repayments of long-term debt	(3,948)	(3,747)
Repayments of note payable	(3,213)	(4,525)
Bequests, contributions, and grants	7,283	7,054
Net cash provided by financing activities	15,062	37,709
Net (decrease) increase in cash and cash equivalents	(1,175)	14,564
Cash and cash equivalents at beginning of year	30,636	16,072
Cash and cash equivalents at end of year	$ 29,461	$ 30,636

See accompanying notes.

Bridgeport Hospital and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2014

1. Organization and Significant Accounting Policies

Bridgeport Hospital & Healthcare Services, Inc. (BHHS) was a Connecticut not-for-profit, nonstock corporation established to promote and carry out charitable, scientific, and educational activities. BHHS was the sole member of the following not-for-profit, nonstock corporations: Bridgeport Hospital; Bridgeport Hospital Foundation, Inc. (the Foundation); Southern Connecticut Health System Properties, Inc. (Properties); and the BHHS. BHHS had an affiliation agreement with Yale-New Haven Health Services Corporation (YNHHSC) in which YNHHSC was the sole member of BHHS.

The Hospital is a voluntary association incorporated under the General Statutes of the State of Connecticut.

In 2014, the Hospital and BHHS were merged in connection with the formation of an obligated group and are now referred to as Bridgeport Hospital and Subsidiaries (BH or the Hospital). As a result, the Hospital's financial statement reporting entity changed to include the Foundation and Properties, which were previously reported in the consolidated financial statements of BHHS. The change in reporting entity was retrospectively applied to the financial statements for the Hospital for all periods presented. YNHHSC is now the sole member of BH.

YNHHSC is the sole member of two similar organizations: Yale New Haven Hospital and Subsidiaries (Y-NHH) and Greenwich Health Care Services, Inc. (GHCS). Each of these three tax-exempt organizations serves as the sole member/parent for its respective delivery network of regional health care providers and related entities. YNHHSC is also the sole member of Northeast Medical Group, Inc. (NEMG).

The Hospital is now the sole member of the Foundation and Properties. The Hospital provides health care services to the Fairfield County community. The Foundation solicits contributions for the benefit of the Hospital and all other tax-exempt health care organizations associated with the Hospital. Properties is a real estate holding company.

Concurrent with the issuance of the Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Yale-New Haven Health Obligated Group Issue, Series A, B, C, D, and E dated May 20, 2014, six members of the Yale New Haven Health System and Subsidiaries were combined to form an Obligated Group. The Obligated Group comprises YNHHSC, Y-NHH, Yale-New Haven Care Continuum Corporation, the Hospital, the Foundation, and NEMG (the Obligated Group). YNHHSC serves as agent of the Obligated Group. The members

1. Organization and Significant Accounting Policies (continued)

of the Obligated Group have adopted certain governance provisions in their certificates of incorporation and bylaws pursuant to which YNHHSC retains the authority to directly take certain actions on behalf of each Obligated Group member without the approval of the board of trustees of the applicable Obligated Group member, including the incurrence of indebtedness on behalf of each Obligated Group member, the management and control of the liquid assets of each, and the appointment of the president and chief executive officer of each Obligated Group member.

The Hospital and subsidiaries operate with a separate Board of Trustees, management staff, and medical staff; however, YNHHSC must approve the strategic plans, operating and capital budgets, and Board of Trustees appointments of the Hospital.

The accounting policies that affect significant elements of the Hospital's consolidated financial statements are summarized below.

Change in Reporting Entity

The change in reporting entity was retrospectively applied to the consolidated financial statements of the Hospital for all periods presented. The impact of the change in reporting entity on selected previously reported financial statement line items is as follows:

	Amounts Previously Reported	Adjustments	As Adjusted
Consolidated balance sheet – September 30, 2013			
Total current assets	$ 143,463	$ 31,219	$ 174,682
Total assets	440,309	2,565	442,874
Total current liabilities	113,611	(1,308)	112,303
Total liabilities	264,449	5,314	269,763
Total net assets	175,860	(2,749)	173,111
Total liabilities and net assets	440,309	2,565	442,874

1. Organization and Significant Accounting Policies (continued)

	Amounts Previously Reported	Adjustments	As Adjusted
Consolidated statement of operations and changes in net assets			
Total operating revenue	$ 441,712	$ 3,323	$ 445,035
Total operating expenses	409,234	3,546	412,780
Income from operations	32,478	(223)	32,255
Excess of revenue over expenses	36,447	(223)	36,224
Net assets, October 1, 2012	123,258	(2,526)	120,732
Net change in net assets – year ended September 30, 2013	52,602	(223)	52,379
Net assets, September 30, 2013	175,860	(2,749)	173,111
Consolidated statement of cash flows – year ended September 30, 2013			
Net cash provided by operating activities	$ 38,385	$ (17,855)	$ 20,530
Net cash used in investing activities	(40,936)	(2,739)	(43,675)
Net cash provided by financing activities	17,167	20,542	37,709
Net increase in cash and cash equivalents	14,616	(52)	14,564

Principles of Consolidation

The accompanying consolidated financial statements present the Hospital and its subsidiaries. In consolidating the financial statements of the Hospital and its subsidiaries, all significant intercompany revenues and expenses and intercompany balance sheet amounts have been eliminated in consolidation.

1. Organization and Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated receivables and payables to third-party payors, and professional liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses during the reporting period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

During 2014 and 2013, the Hospital recorded a change in estimate of approximately $2.7 million and $6.4 million, respectively. Included in the change are amounts related to favorable third-party payor settlements.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. See Notes 5 and 6 for additional information relative to temporarily and permanently restricted net assets.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

1. Organization and Significant Accounting Policies (continued)

Pledges receivable, included in other current assets and other assets in the accompanying consolidated balance sheets at September 30, 2014 and 2013, are expected to be received as follows (in thousands):

	2014	2013
Due in one year or less	$ 558	$ 591
Due after one year through five years	645	214
Total pledges receivable	1,203	805
Less unamortized discount on contribution receivable (0.1% to 1.8%)	(9)	–
Less allowance for doubtful pledges	(36)	(24)
Pledges receivable, net	$ 1,158	$ 781

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, that are not classified as assets limited as to use or held in the long-term investment portfolio.

Cash and cash equivalents are maintained with domestic financial institutions with deposits that exceed federally insured limits. It is the Hospital's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowances for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

1. Organization and Significant Accounting Policies (continued)

Investments

The Hospital has designated its investment portfolio as trading. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and the change in net unrealized gains and losses are included in the excess of revenue over expenses unless the income or loss is restricted by donor or law.

Investments in marketable equity securities with readily determinable fair market values and all investments in debt securities (marketable investments) are measured at fair value based on quoted market prices.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the Hospital holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the University) reported net asset value per unit for measurement of the units' fair value for the Yale University investment.

Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the Hospital's holdings may be determined by the investment manager or general partner. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the Hospital to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts, and other derivative products. While these financial instruments may contain varying degrees of risk, the Hospital's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors.

The Hospital participates in the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust comprises two pools: the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

1. Organization and Significant Accounting Policies (continued)

Under the terms of the investment management agreement with the Trust, withdrawals of the Hospital's investment in the L-TIP can be made annually by the Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2014, the Hospital can withdraw 100% of its investment in the L-TIP as of July 1, 2015. Withdrawals of the Hospital's investment in the I-TIP in any amount can be made quarterly with 30 days' advance notice.

The Trust has an agreement with the University's investment office (the Investment Management Agreement) that allows the University to manage a portion of the Trust's investments as part of the University's Endowment Pool (the Pool). For each of the years ended September 30, 2014 and 2013, the Trust transferred approximately $100.0 million to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real assets, fixed income, and cash.

Under the terms of the Investment Management Agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1. For withdrawals of amounts less than $150.0 million or 75% of the Trust's investment in the Pool, $100.0 million or 50% of the Trust's investment in the Pool, and $50.0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year ending June 30.

In 2011 the Investment Management Agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances, an interest charge of prime plus 2% will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of the Trust's units in the Endowment using the June 30 unit valuation. No advances have been requested or taken by the Trust.

Net realized gains and losses on investments and interest and dividends are included in excess of revenue over expenses unless the income or loss is restricted by donor or law. The change in unrealized gains and losses on all investments is included in the excess of revenue over expenses unless the income or loss is restricted by the donor.

1. Organization and Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use include assets held by trustee under bond indenture agreements. Amounts required to meet current liabilities are reported as current assets. These funds primarily consist of equities, corporate obligations, U.S. government obligations, mutual funds, marketable securities, and money market funds. Changes in unrealized gains and losses are recorded in the excess of revenue over expenses and losses.

Inventories

Inventories, included in prepaid expenses and other current assets, are stated at the lower of cost or market. BH values its inventories using the first-in, first-out method.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of the costs is provided using a method that approximates the interest method over the remaining term of the applicable indebtedness. The accumulated amortization of deferred financing costs was approximately $0.2 million and $0.1 million at September 30, 2014 and 2013, respectively. See Note 7 for additional information relative to debt-related matters.

Benefits and Insurance

The Hospital provides medical, dental, hospitalization, and prescription drug benefits to employees for which it is self-insured. Liabilities have been accrued for claims, including claims incurred but not reported (IBNRs), which are based on specific experience. At September 30, 2014 and 2013, the estimated liability for self-insured employee medical, prescriptions, and other benefit claims and IBNRs aggregated approximately $1.0 million and $0.9 million, respectively, and is included in accrued expenses in the accompanying consolidated balance sheets.

The Hospital is effectively self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including IBNRs, which are based on specific experience. At September 30, 2014 and 2013, the estimated liability for self-insured workers' compensation claims and IBNRs aggregated approximately $6.1 million and $5.6 million, respectively, discounted at 2.5% in 2014 and in 2013, and is included in other long-term liabilities in the accompanying consolidated balance sheets.

1. Organization and Significant Accounting Policies (continued)

Property, Plant, and Equipment

Property, plant, and equipment purchased are carried at cost, and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation and amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations. Depreciation of property, plant, and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 50 years.

Acquisitions

During 2013, the Hospital acquired substantially all of the business, assets, and operations of Robert D. Russo and Associates Radiology P.C. (Russo Radiology). The acquisition includes installment payments totaling approximately $15.0 million, including interest, ranging from approximately $1.5 million to $3.9 million due from May 2013 through June 2017. At September 30, 2014 and 2013, the Hospital has a liability of approximately $6.3 million and $9.5 million, respectively, remaining. The Hospital has accounted for the business combination by applying the acquisition method of accounting in accordance with Accounting Standards Codification (ASC) 805, *Business Combinations*. As a result of the transaction, goodwill in the amount of approximately $13.5 million was recorded and is included in other assets at September 30, 2014 and 2013.

In 2011, the Hospital acquired certain tangible and intangible assets of Cardiac Specialists, P.C. for approximately $1.6 million. As a result of the transaction, goodwill in the amount of approximately $0.8 million was recorded and is included in other assets at September 30, 2014 and 2013.

On June 1, 2014, NEMG and YNHHSC acquired certain assets of PriMed, LLC (PriMed), a physician practice, for approximately $54.2 million. YNHHSC contributed the entire purchase price, of which $25.0 million was transferred from the Hospital to YNHHSC. PriMed is a multi-specialty group of approximately 120 providers in 36 locations across Fairfield County and New Haven County, Connecticut. PriMed also is the sole member of a gastroenterology surgery center, the Fairfield County Endoscopy Center, and offers a number of ancillary services such as a sleep laboratory, cardiac diagnostic testing, physical therapy, and nutritional counseling. Under the terms of the transaction, NEMG and YNHHSC acquired substantially all the assets of PriMed and a 40% interest in the gastroenterology surgery center.

1. Organization and Significant Accounting Policies (continued)

The Hospital is required to review its goodwill for impairment annually. Based on the Hospital's review at September 30, 2014 and 2013, goodwill was determined not to be impaired.

Excess of Revenue over Expenses

In the accompanying statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating gains and losses.

Contributions of, or restricted to, property, plant, and equipment; transfers of assets to and from affiliates for other than goods and services; and pension and other post-retirement liability adjustments are excluded from the performance indicator but are included in the changes in net assets.

Income Taxes

The Hospital and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code. Properties is a tax-exempt organization pursuant to Section 501(c)(2) of the Code and also is not subject to federal and state income taxes.

Asset Retirement Obligation

The Hospital maintains an asset retirement obligation liability related to the estimated future costs to remediate environmental liabilities in certain buildings. The asset and asset retirement obligation liability were approximately $0.3 million and $11.0 million, respectively, at September 30, 2014, and approximately $0.4 million and $12.1 million, respectively, at September 30, 2013.

1. Organization and Significant Accounting Policies (continued)

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2013, balances previously reported in the consolidated financial statements in order to conform with the year ended September 30, 2014, presentation. Approximately $12.9 million reported as a reduction to accounts receivable is now classified as allowances for uncollectible accounts, charity care, and free care on the accompanying balance sheet to conform with current year presentation. See Note 3 for additional information relative to the amendment of the Hospital's Charity Care policy.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 is required on October 1, 2017, and management is current evaluating the effect of this guidance on its financial statements

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges, and per diem payments. Net patient service revenue is affected by the Connecticut Disproportionate Share Hospital Program (CDSHP), includes premium revenue, and is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

Third-party payor receivables included in other current assets were approximately $4.2 million and $2.7 million at September 30, 2014 and 2013, respectively. Third-party payor receivables included in other long-term assets were approximately $3.4 million at September 30, 2013. Third-party payor liabilities included in other current liabilities were approximately $4.0 million and $4.5 million at September 30, 2014 and 2013, respectively. Third-party payor liabilities included in other long-term liabilities were approximately $18.3 million and $13.4 million at September 30, 2014 and 2013, respectively.

The Hospital has established estimates based on information presently available of amounts due to or from Medicare, Medicaid, and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and Hospital-specific data. Such amounts are included in the accompanying balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years might be realized. In April 2014, the Hospital began participation in the Centers for Medicare & Medicaid Services Bundled Payments for Care Improvement initiative. Under the Bundled Payments for Care Improvement initiative, the Hospital has entered into payment arrangements that include financial and performance accountability for episodes of care.

Revenue from Medicare and Medicaid programs accounted for approximately 36% and 20%, respectively, of the Hospital's net patient service revenue for the year ended September 30, 2014, and 38% and 18%, respectively, for the year ended September 30, 2013. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 39% and 34%, respectively, for the year ended September 30, 2014, and approximately 39% and 31%, respectively, for the year ended September 30, 2013. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital. Cost reports for the Hospital, which serve as the basis for final settlement with government payors, have been settled by final settlement through 2010 for Medicare and 2008 for Medicaid. Other years remain open for settlement.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

The significant concentrations of accounts receivable for services to patients include 42% from Medicare, 17% from Medicaid, and 41% from nongovernmental payors at September 30, 2014, and 31% from Medicare, 13% from Medicaid, and 56% from nongovernmental payors at September 30, 2013.

Net patient service revenue comprises the following for the years ended September 30, 2014 and 2013 (in thousands):

	2014	2013
Gross revenue from patients	$ 1,693,080	$ 1,512,520
Deductions:		
Contractual allowances	1,184,162	1,027,832
Charity and free care (at charges)	49,238	37,935
Provision for doubtful accounts	20,305	27,926
Net patient service revenue	$ 439,375	$ 418,827

Patient service revenue for the years ended September 30, 2014 and 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation is as follows (in thousands):

	2014	2013
Third-party	$ 441,363	$ 431,452
Self-pay	18,317	15,301
Total all payors	$ 459,680	446,753

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility, and the Hospital considers these amounts in its determination of the provision for bad debts based on collection experience. Accounts receivable are also reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

The Hospital's allowance for doubtful accounts totaled approximately $46.4 million and $42.2 million at September 30, 2014 and 2013, respectively. The allowance for doubtful accounts for self-pay patients was approximately 87.5% and 78.5% of self-pay accounts receivable as of September 30, 2014 and 2013, respectively. Overall, the total of self-pay discounts and write-offs did not change significantly in 2014.

3. Uncompensated Care and Community Benefit Expense

The Hospital's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.

The Hospital makes available free care programs for qualifying patients. In accordance with the established policies of the Hospital, during the registration, billing, and collection process a patient's eligibility for free care funds is determined. For patients who were determined by the Hospital to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program and whose ability to pay cannot be determined by the Hospital, care given but not paid for is classified as charity care. During the year ended September 30, 2014, the Hospital amended its Charity Care policy. Based upon the policy change, the Hospital experienced increased charity care write offs during the year.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $31.2 million and $27.9 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity. The estimated cost of charity care is based on the ratio of cost to charges. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt versus charity care while taking into account the total costs incurred by the hospital for each account analyzed.

The estimated cost of charity care provided was approximately $22.1 million and $16.8 million for the years ended September 30, 2014 and 2013, respectively. The estimated cost of charity care is based on the ratio of cost to charges, as determined by Hospital-specific data.

3. Uncompensated Care and Community Benefit Expense (continued)

For the years ended September 30, 2014 and 2013, bad debt expense, at charges, was approximately $20.3 million and $27.9 million, respectively. For the years ended September 30, 2014 and 2013, bad debt expense, at cost, was approximately $9.1 million and $11.1 million, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The CDSHP was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue. During the years ended September 30, 2014 and 2013, the Hospital received approximately $14.4 million and $17.7 million, respectively, in CDSHP distributions, of which approximately $10.2 million and $12.6 million, respectively, related to charity care. The Hospital made payments into CDSHP of approximately $16.9 million for the years ended September 30, 2014 and 2013, respectively, for the 1% assessment.

Additionally, the Hospital provides benefits for the broader community, which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups. The Hospital voluntarily assists with the direct funding of several City of Bridgeport programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the Hospital provides additional benefits to the community through its advocacy of community service by employees. The Hospital's employees serve numerous organizations through board representation, membership in associations, and other related activities. The Hospital also solicits the assistance of other health care professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use, is set forth in the following table (in thousands):

	2014	2013
Money market funds	$ 10,153	$ 7,737
U.S. equity securities	6,825	7,004
U.S. equity securities – common collective trusts	1,096	1,514
International equity securities[a]	7,300	7,224
Fixed income:		
U.S. government	19,543	18,018
U.S. government – common collective trusts	9,002	7,509
Corporate debt	3,803	3,733
International government[b]	6,334	6,536
Commodities	145	173
Hedge funds:		
Long/short equity[c]	69	57
Real estate[d]	1,610	1,713
Interest in Yale University Endowment Pool[e]	66,684	56,188
Total	$ 132,564	$ 117,406

[a]Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts or in direct foreign securities.

[b]Investments with external commodities futures manager.

[c]Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

[d]Investments with external direct real estate managers and fund of funds managers. Investment vehicles both closed-end real estate investment trusts and limited partnerships.

[e]The Yale University Endowment Pool maintains a diversified investment portfolio through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The pool combines a strong orientation to equity investments with a strong allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

4. Investments and Assets Limited as to Use (continued)

The Hospital ownership percentage of the Trust was approximately 7.6% and 9.2% as of September 30, 2014 and 2013, respectively. The Hospital's pro rata portion of the Trust's investments is included in the above table.

The Hospital has a 47.6% equity interest in Century Financial Services, Inc. (Century). At September 30, 2014 and 2013, the investment is included in other assets in the accompanying consolidated balance sheets. The investment in Century is carried on the equity basis of accounting and is adjusted for the Hospital's proportionate share of undistributed earnings or losses. Dividends received are deducted from the carrying value of the investment.

5. Endowment

The Hospital's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Hospital has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment related to the Hospital's beneficial interest in perpetual trusts made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Hospital and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Hospital; and (7) the investment and spending policies of the Hospital.

5. Endowment (continued)

Changes in endowment net assets for the year ended September 30, 2014, are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 882	$ 20,321	$ 20,788	$ 41,991
Investment returns:				
Investment income	11	417	–	428
Net appreciation (realized and unrealized)	282	2,259	–	2,541
Total investment return	293	2,676	–	2,969
Appropriation of endowment assets for expenditure	–	(4,428)	–	(4,428)
Other changes:				
Contribution bequests	–	1,221	955	2,176
Endowment net assets, end of year	$ 1,175	$ 19,790	$ 21,743	$ 42,708

Changes in endowment net assets for the year ended September 30, 2013, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 602	$ 16,768	$ 19,872	$ 37,242
Investment returns:				
Investment income	9	468	–	477
Net appreciation (realized and unrealized)	271	1,836	–	2,107
Total investment return	280	2,304	–	2,584
Appropriation of endowment assets for expenditure	–	(1,333)	–	(1,333)
Other changes:				
Contribution bequests	–	2,582	916	3,498
Endowment net assets, end of year	$ 882	$ 20,321	$ 20,788	$ 41,991

From time to time, the fair value of assets associated with permanently restricted endowment funds may fall below the level determined under Connecticut UPMIFA.

6. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets of approximately $33.3 million and $32.0 million for the years ended September 30, 2014 and 2013, respectively, are available for specific hospital operations, teaching, research, indigent and free care, and training.

Permanently restricted net assets of approximately $21.7 million and $20.8 million for the years ended September 30, 2014 and 2013, respectively, consist of donor-restricted endowment principal. The income generated from permanently restricted funds is expendable for purposes designated by donors, including the support of various health care services. Net assets of the Bridgeport Hospital Auxiliary, Inc. are included in temporarily restricted net assets.

7. Debt

A summary of debt at September 30 is as follows (in thousands):

	2014	2013
Intercompany debt with YNHHSC:		
Series D (fixed interest rates ranging from 2.00% to 5.00%)	$ 32,110	$ 34,350
Series E (3.47%, effective interest rate)	35,971	–
Tax-exempt debt:		
2010 term loan (3.22% fixed interest rate)	4,317	4,940
2012 term loan (1.66% fixed interest rate)	3,082	4,167
Line of credit (1.71% interest rate)	–	25,000
Note payable (6.9% fixed interest rate)	6,250	9,463
Capital lease obligations	20,207	95
	101,937	78,015
Add: premium	7,367	3,392
Less: current portion	(9,262)	(32,205)
	$ 100,042	$ 49,202

7. Debt (continued)

In November 2010, the Hospital obtained a $6.6 million term loan from the CHEFA. The proceeds of the loan were to be used for the purchase and installation of energy savings equipment and various renovations and improvements to the Hospital's infrastructure. The loan is to be paid in monthly installments over ten years at a fixed interest rate of 3.22%.

In May 2012, the Series D tax-exempt revenue bonds were issued through CHEFA under a master trust indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were held in an escrow account and used for the retirement of the outstanding Series A and C tax-exempt revenue bonds and to pay for certain bond issuance costs of approximately $0.8 million. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying statement of operations and changes in net assets. In connection with the formation of the Obligated Group, the Series D and E debt became an obligation of the Obligated Group and as such is reflected as intercompany debt with YNHHSC.

In June 2012, the Hospital obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over five years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

In December 2012, in connection with the purchase of a radiology practice, the Hospital entered into a note payable with the seller in the amount of $15.1 million. The note is to be repaid in monthly installments over five years as discussed in Note 1.

In September 2013, the Hospital entered into and drew in full its $25.0 million line of credit with a bank. The bank line of credit requires payment of the outstanding principal amount 12 months subsequent to the initial advance. The obligation bears interest at a rate equal to one-month LIBOR (London Interbank Offered Rate) plus 1.50% per annum. The bank line of credit was paid in full and closed in September 2014.

7. Debt (continued)

In June 2014, the Obligated Group issued Series E revenue bonds totaling approximately $80.9 million. The Series E revenue bonds were issued as fixed rate bonds with an effective interest rate of 3.47%. The proceeds included a premium of approximately $10.1 million. Approximately $40.0 million of the proceeds were used to finance costs for the installation of machinery and equipment and various renovations and improvements to the Hospital's infrastructure. The remaining $50.0 million was used for renovations at Y-NHH. The premium is being amortized and included as interest expense in the consolidated statement of operations and changes in net assets.

In connection with the formation of the Obligated Group, the Series D and E tax-exempt bonds became an obligation of the Obligated Group and as such are reflected as intercompany debt with YNHHSC. Under the terms of the Master Indenture, all members of the Obligated Group are jointly and severally liable for debt issued by YNHHSC on behalf of the Obligated Group.

The terms of the various financing arrangements between CHEFA, the Obligated Group, and the financial institutions providing the letters of credit and the Obligated Group provide for financial covenants regarding the Obligated Group's debt service coverage ratio and liquidity ratio. As of September 30, 2014, the Obligated Group was in compliance with such covenants.

In November 2013, BH entered into an arrangement with a developer to construct a 120,000-square-foot medical office building and adjacent garage in Fairfield County, Connecticut. The arrangement contains provisions for Bridgeport Hospital to begin leasing the property for a 25-year period beginning in April 2016. Management has evaluated the terms of the arrangement and recorded the project as a capital lease. Upon completion, the total estimated capital lease obligation will approximate $102.0 million.

At September 30, 2014, construction costs totaled approximately $20.2 million and are included in construction in progress on the accompanying consolidated balance sheet.

7. Debt (continued)

Scheduled principal payments on all debt are as follows (in thousands):

	Debt	Capital Lease Obligations
2015	$ 9,215	$ 47
2016	5,713	3,662
2017	6,744	7,856
2018	4,466	7,856
2019	4,674	788
Thereafter	50,918	–
	$ 81,730	20,209
Less: interest		(2)
Total capital lease obligation		$ 20,207

Cash paid for interest for the years ended September 30, 2014 and 2013, approximated $2.6 million and $1.7 million, respectively.

Assets recorded under the capital lease obligations totaled approximately $20.2 million and $0.3 million as of September 30, 2014 and 2013, respectively. Accumulated depreciation for the capital lease obligations totaled approximately $0.3 million for September 30, 2014 and 2013.

8. Retirement Benefit Plans

The Hospital has a defined benefit pension plan covering substantially all employees. The benefits are based on years of service and employees' average compensation as defined by the plan documents. The Hospital makes contributions in amounts sufficient to meet the required benefits to be paid to plan participants as they become due as required under the Employee Retirement Income Security Act of 1974.

On June 30, 2006, the Hospital froze its defined benefit plan. On October 1, 2006, the Hospital instituted a defined contribution plan covering substantially all employees. The Hospital matches employee 403(b) contributions on a bi-weekly basis, as defined by the defined contribution plan documents, and provides an annual contribution to the employees' accounts based on each

8. Retirement Benefit Plans (continued)

employee's year of service and compensation. The Hospital expensed approximately $9.4 million and $9.5 million relating to the defined contribution plan for the years ended September 30, 2014 and 2013, respectively. Amounts due to the defined contribution plan amounted to approximately $5.2 million at September 30, 2014 and 2013, and are included in accrued expenses in the accompanying balance sheets.

The Hospital is required to measure plan assets and benefit obligations at a date consistent with its year-end balance sheet. Included in unrestricted net assets at September 30, 2014 and 2013, are the following amounts that have not yet been recognized in net periodic benefit cost (in thousands):

	2014	2013
Unrecognized actuarial loss	$ (101,168)	$ (80,198)

The actuarial loss included in unrestricted net assets at September 30, 2014, is approximately $2.3 million and is expected to be recognized in net periodic benefit cost during the year ending September 30, 2015.

The following table sets forth the funded status of the Hospital's plans as of September 30 (in thousands):

	Pension Benefits	
	2014	2013
Change in benefit obligation		
Benefit obligation, beginning of year	$ (179,605)	$ (199,526)
Interest cost	(8,618)	(7,841)
Actuarial (loss) gain	(21,944)	21,397
Benefits paid	6,730	6,365
Benefit obligation, end of year	$ (203,437)	$ (179,605)
Change in plan assets		
Fair value of plan assets, beginning of year	$ 136,660	$ 132,485
Actual return on plan assets	8,015	8,020
Employer contribution	7,211	2,520
Benefits paid	(6,730)	(6,365)
Fair value of plan assets, end of year	$ 145,156	$ 136,660
Accrued pension obligation	$ (58,281)	$ (42,945)

8. Retirement Benefit Plans (continued)

The actuarial loss in 2014 primarily relates to changes in the discount rate and mortality table used to measure the tax benefit obligation, and the actuarial gain in 2013 primarily relates to changes in the discount rate used to measure the benefit obligation.

Accumulated Benefit Obligation

The projected benefit obligation, accumulated benefit obligations, and fair value of plan assets were as follows for September 30 (in thousands):

	2014	2013
Projected benefit obligation	$ 203,437	$ 179,605
Accumulated benefit obligation	203,437	179,605
Fair value of plan assets	145,156	136,660

The following table provides the components of the net periodic benefit cost for the plan for the years ended September 30 (in thousands):

	Pension Benefits	
	2014	2013
Components of net periodic benefit cost		
Interest cost	$ 8,618	$ 7,841
Expected rate of return on plan assets	(9,302)	(9,348)
Recognized net actuarial loss	2,261	2,740
Net periodic benefit cost	$ 1,577	$ 1,233

8. Retirement Benefit Plans (continued)

Assumptions

Weighted average assumptions used to determine benefit obligations at September 30 are as follows:

	Pension Benefits	
	2014	**2013**
Discount rate	**4.30%**	4.90%

Weighted average assumptions used to determine net periodic benefit cost for years ended September 30 are as follows:

	Pension Benefits	
	2014	**2013**
Discount rate	**4.90%**	4.00%
Expected long-term return on plan assets	**6.75**	6.75

Measurement Date

The measurement date used to determine pension benefits is September 30 in 2014 and 2013.

Plan Assets

The asset allocations of the Hospital's pension plan at September 30 are as follows:

	Target Allocation	Percentage of Plan Assets	
	2015	**2014**	**2013**
Asset category:			
Equity securities	35%	**42%**	40%
Debt securities	39	**38**	43
Alternative investments	26	**20**	17
Total	100%	**100%**	100%

8. Retirement Benefit Plans (continued)

The pension assets carried at fair value as of September 30, 2014 and 2013, are classified in the following tables in one of the three categories described in Note 15 (in thousands):

	Level 1	Level 2	Level 3	Total
Money market funds	$ 6,077	$ –	$ –	$ 6,077
U.S. equity securities	28,116	–	–	28,116
International equity securities	26,837	–	–	26,837
Fixed income:				
U.S. government	17,018	–	–	17,018
Corporate debt	26,543	–	–	26,543
International government	11,431	–	–	11,431
Hedge funds:				
Long/short equity	–	190	–	190
Multi-strategy/other	–	–	25,455	25,455
Real estate	3,489	–	–	3,489
Total investments as of September 30, 2014	$ 119,511	$ 190	$ 25,455	$ 145,156

The pension assets carried at fair value as of September 30, 2013, are classified in the following tables in one of the three categories described in Note 15 (in thousands):

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,441	$ –	$ –	$ 1,441
U.S. equity securities	29,960	–	–	29,960
International equity securities	25,111	–	–	25,111
Fixed income:				
U.S. government	19,474	–	–	19,474
Corporate debt	29,606	–	–	29,606
International government	7,720	–	–	7,720
Hedge funds:				
Long/short equity	–	9,495	–	9,495
Multi-strategy/other	–	–	10,505	10,505
Real estate	3,348	–	–	3,348
Total investments as of September 30, 2013	$ 116,660	$ 9,495	$ 10,505	$ 136,660

8. Retirement Benefit Plans (continued)

The following is a rollforward of the pension assets classified as Level 3 of the valuation hierarchy as described in Note 15:

Fair value at October 1, 2012	$ 8,689
2013 unrealized gains and losses	666
2013 purchases	1,150
Fair value at September 30, 2013	10,505
2014 unrealized gains and losses	**950**
2014 purchases	**14,000**
Fair value at September 30, 2014	**$ 25,455**

The Hospital's investment strategy for its pension assets balances the liquidity needs of the pension plan with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocations of the investment pool to various sectors of the markets are designed to reduce volatility in the portfolio.

The Hospital's pension portfolio return assumption of 6.75% is based on the targeted weighted average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

Cash Flows

Contributions: The Hospital's and its affiliates' expected contribution to the defined benefit pension plan in 2015 is approximately $10.5 million.

Estimated Future Benefit Payments: The Hospital and its affiliates expect to pay the following benefit payments as appropriate (in thousands):

2015	$ 7,944
2016	8,289
2017	8,738
2018	9,841
2019	10,119
2020 to 2025	58,736

9. Professional Liability and Self-Insurance Arrangements

Y-NHH and a number of academic medical centers are shareholders in the Medical Center Insurance Company, Ltd. (the Captive). The Captive was formed to insure for professional and comprehensive general liability risks of its shareholders and certain affiliated entities of the shareholders. On October 1, 1997, the Hospital was added to the Y-NHH program as an additional insured. The Captive and its wholly owned subsidiary write direct insurance and reinsurance for varying levels of per claim limit exposure. The Captive has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage and are actuarially determined based on actual experience of the Hospital and the Captive. The Hospital pays insurance premiums to YNHHSC.

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $41.4 million and $44.8 million at September 30, 2014 and 2013, respectively. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $15.7 million and $13.6 million at September 30, 2014 and 2013, respectively, and is included in professional insurance liabilities in the accompanying balance sheets at the actuarially determined present value of approximately $13.9 million and $12.1 million, respectively, based on a discount rate of 2.5% for the years ended September 30, 2014 and 2013.

The Hospital has recorded related insurance recoveries receivable of approximately $27.6 million and $32.7 million at September 30, 2014 and 2013, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represent an estimate of expected settlements and insurance recoveries over the next 12 months.

The Hospital's estimates for professional insurance liabilities are based upon complex actuarial calculations that utilize factors such as historical claims experience for the Hospital and related industry factors, trending models, estimates for the payment patterns of future claims, and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

10. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. Such lawsuits and claims are either specifically covered by insurance as explained in Note 9 or are deemed immaterial. While the outcome of these lawsuits cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the consolidated financial position or results of operations of the Hospital.

The Hospital and its subsidiaries have various lease agreements, some of which provide for adjustments to future lease payments.

The Hospital has an irrevocable letter of credit with a bank to provide coverage to the State of Connecticut for workers' compensation claims. There were no amounts outstanding under this letter of credit during 2014 and 2013.

The Hospital obtained a surety bond to provide coverage to the State of Connecticut for unemployment compensation in 2012. There were no amounts outstanding in 2014 or 2013.

The Hospital has various lease agreements. Lease expense for the years 2014 and 2013, was approximately $5.4 million and $4.7 million, respectively. Future minimum payments under these leases are as follows:

2015	$ 4,820
2016	4,462
2017	3,181
2018	2,364
2019	2,331
Thereafter	12,246
	$ 29,404

11. Functional Expenses

The Hospital and its subsidiaries provide general health care services to residents within their geographic location, including pediatric care, cardiac catheterization and outpatient surgery. Net expenses related to providing these services for the years ended September 30 are as follows (in thousands):

	2014	2013
Health care services	$ 335,408	$ 330,224
General and administrative	94,602	82,556
	$ 430,010	$ 412,780

12. Related-Party Transactions

The Hospital purchased certain services for the years ended September 30 from YNHHSC as follows (in thousands):

	2014	2013
Operating expenses:		
Information systems	$ 21,360	$ 21,811
System business office	10,249	9,289
Other business services	28,632	27,069
	$ 60,241	$ 58,169

The Hospital funds certain capital assets purchased by YNHHSC. Included in prepaid expenses and other assets were approximately $34.0 million at September 30, 2014, and approximately $35.0 million at September 30, 2013.

Included in depreciation and amortization expense for each of the years ended September 30, 2014 and 2013, is approximately $8.6 million and $2.2 million, respectively, of costs allocated from YNHHSC for shared capital projects.

12. Related-Party Transactions (continued)

Accounts receivable to related organizations is included in other current assets, and accounts payable to related organizations is included in accrued expenses in the accompanying consolidated balance sheets for the years ended September 30 as follows (in thousands):

	2014	2013
Accounts receivable:		
Y-NHH	$ 890	$ –
YNHHSC	1,637	837
	$ 2,527	$ 837
Accounts payable:		
YNHHSC	$ 24,676	$ 15,710
NEMG	1,784	1,355
Greenwich Hospital	179	34
	$ 26,639	$ 17,099

Included in the consolidated statement of operations and changes in net assets are amounts funded by the Hospital for physician-related strategic mission support for NEMG of approximately $17.7 million and $13.0 million for the years ended September 30, 2014 and 2013, respectively.

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30	
	2014	2013
Cafeteria and vending	$ 1,898	$ 1,934
Parking income	1,417	1,447
Net assets released from restrictions for operations	7,069	6,346
Electronic health records incentive payment	3,004	3,587
Pediatric ancillary services	9,326	9,569
Other	4,852	3,325
	$ 27,566	$ 26,208

13. Other Revenue (continued)

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments depends on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal year 2015.

The Hospital uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the Hospital is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. Medicare EHR incentive payment revenue was approximately $2.3 million and $2.6 million for the years ended September 30, 2014 and 2013, respectively. Medicaid EHR incentive payment revenue was approximately $0.7 million and $1.0 million for the years ended September 30, 2014 and 2013, respectively. EHR incentive payment revenue is included in other revenue in the accompanying consolidated statements of operations and changes in net assets. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated.

Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands)

	Year Ended September 30 2014	2013
Income from investments and other, net	$ 1,418	$ 447
Change in unrealized gains and losses on investments	4,434	3,522
	$ 5,852	$ 3,969

Contributions received consisted of the following (in thousands):

	Year Ended September 30 2014	2013
Unrestricted contributions	$ 714	$ 634
Temporarily restricted contributions	4,284	3,832
Permanently restricted contributions	955	906
Total contributions	5,953	5,372
Less: Fundraising costs	2,109	2,069
	$ 3,844	$ 3,303

15. Fair Values Measurements

In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Hospital also considers nonperformance risk in the overall assessment of fair value.

ASC 820, *Fair Value Measurement*, establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

- Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

15. Fair Values Measurements (continued)

- Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.
- Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

Financial assets carried at fair value as of September 30, 2014 and 2013, are classified in the following tables in the three categories described above (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 29,461	$ –	$ –	$ 29,461
Money market funds	10,153	–	–	10,153
U.S. equity securities	6,825	–	–	6,825
International equity securities	7,300	–	–	7,300
Fixed income:				
U.S. government	19,543	–	–	19,543
Corporate debt	3,803	–	–	3,803
International government	3,937	2,397	–	6,334
Interest in Yale University Endowment Pool	–	–	66,684	66,684
Investments at fair value	$ 81,022	$ 2,397	$ 66,684	150,103
Common collective trusts				10,098
Alternative investments				1,824
Investments not at fair value				11,922
Total investments as of September 30, 2014				$ 162,025

15. Fair Values Measurements (continued)

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 30,636	$ –	$ –	$ 30,636
Money market funds	7,737	–	–	7,737
U.S. equity securities	7,004	–	–	7,004
International equity securities	7,224	–	–	7,224
Fixed income:				
U.S. government	18,018	–	–	18,018
Corporate debt	3,733	–	–	3,733
International government	4,022	2,514	–	6,536
Interest in Yale University Endowment Pool	–	–	56,188	56,188
Investments at fair value	$ 78,374	$ 2,514	$ 56,188	137,076
Common collective trusts				9,023
Alternative investments				1,943
Investments not at fair value				10,966
Total investments as of September 30, 2013				$ 148,042

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy:

Interest in Yale University Endowment Pool:	
Fair value at September 30, 2012	$ 46,760
2013 unrealized gains	9,428
Fair value at September 30, 2013	56,188
2014 unrealized gains	**10,496**
Fair value at September 30, 2014	**$ 66,684**

Fair values of the Hospital's debt are based on current borrowing rates for similar types of debt using undiscounted cash flow analyses. The fair value of the long-term debt at September 30, 2014 and 2013, is approximately $90.7 million and $57.8 million, respectively. The fair value of capital leases was approximately $20.3 million at September 30, 2014. The fair value of long-term debt is classified as Level 2 in the fair value hierarchy as it uses a combination of quoted market prices and valuation based on current market rates.

16. Subsequent Events

Subsequent events have been evaluated through December 23, 2014, which is the date the consolidated financial statements were available to be issued. No events have occurred that require disclosure or adjustment of the consolidated financial statements.

Supplementary Information

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Building a better working world

Report of Independent Auditors on Supplementary Information

The Board of Directors
Bridgeport Hospital and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of Bridgeport Hospital and Subsidiaries as of and for the year ended September 30, 2014, and have issued an unmodified opinion thereon dated December 23, 2014. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheet and consolidating statement of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Ernst + Young LLP

December 23, 2014

A member firm of Ernst & Young Global Limited

Bridgeport Hospital and Subsidiaries

Consolidating Balance Sheet
(In Thousands)

September 30, 2014

	Hospital	Foundation	Properties	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 28,527	$ 913	$ 21	$ –	$ 29,461
Short-term investments	37,860	34,892	–	–	72,752
Accounts receivable	49,732	–	–	–	49,732
Professional liabilities insurance recoveries receivable – current portion	8,273	–	–	–	8,273
Other current assets	22,162	730	9	(1,710)	21,191
Assets limited as to use	247	–	–	–	247
Total current assets	146,801	36,535	30	(1,710)	181,656
Assets limited as to use	3,856	1,210	–	–	5,066
Long-term investments	25,131	29,368	–	–	54,499
Professional liabilities insurance recoveries receivable – non-current	19,303	–	–	–	19,303
Deferred financing costs	1,290	–	–	–	1,290
Interest in Bridgeport Hospital Foundation, Inc.	65,812	–	–	(65,812)	–
Other assets	28,025	730	–	–	28,755
Goodwill	17,217	–	–	–	17,217
Property, plant, and equipment:					
Land, buildings, and improvements	122,928	–	1,473	–	124,401
Equipment	308,888	–	–	–	308,888
	431,816	–	1,473	–	433,289
Less accumulated depreciation and amortization	(303,677)	–	(412)	–	(304,089)
	128,139	–	1,061	–	129,200
Construction in progress	37,001	–	–	–	37,001
Total assets	$ 472,575	$ 67,843	$ 1,091	$ (67,522)	$ 473,987

Bridgeport Hospital and Subsidiaries

Consolidating Balance Sheet (continued)
(In Thousands)

	Hospital	Foundation	Properties	Eliminations	Total
Liabilities and net assets					
Current liabilities:					
Accounts payable	$ 10,476	$ –	$ –	$ –	$ 10,476
Accrued expenses	58,396	70	24	–	58,490
Current portion of long-term debt and capital lease obligation	9,262	–	–	–	9,262
Professional liabilities – current portion	8,273	–	–	–	8,273
Other current liabilities	4,590	1,583	127	(1,710)	4,590
Total current liabilities	90,997	1,653	151	(1,710)	91,091
Long-term debt, net of current portion	79,882	–	–	–	79,882
Long-term capital lease obligation, net of current portion	20,160	–	–	–	20,160
Accrued pension obligation	58,281	–	–	–	58,281
Professional liabilities	33,169	–	–	–	33,169
Other long-term liabilities	34,253	378	–	–	34,631
Total liabilities	316,742	2,031	151	(1,710)	317,214
Net assets:					
Unrestricted	100,811	34,454	940	(34,454)	101,751
Temporarily restricted	33,279	15,023	–	(15,023)	33,279
Permanently restricted	21,743	16,335	–	(16,335)	21,743
Total net assets	155,833	65,812	940	(65,812)	156,773
Total liabilities and net assets	$ 472,575	$ 67,843	$ 1,091	$ (67,522)	$ 473,987

Bridgeport Hospital and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

(In Thousands)

Year Ended September 30, 2014

	Hospital	Foundation	Parent	Properties	Eliminations	Total
Operating revenue:						
Net patient service revenue	$ 459,680	$ –	$ –	$ –	$ –	$ 459,680
Less: Provision for bad debts	(20,305)	–	–	–	–	(20,305)
Net patient service revenue, less provision for bad debts	439,375	–	–	–	–	439,375
Other revenue	24,165	3,250	–	155	(4)	27,566
Total operating revenue	463,540	3,250	–	155	(4)	466,941
Operating expenses:						
Salaries and benefits	201,556	–	–	–	–	201,556
Supplies and other expenses	190,937	3,250	–	209	(4)	194,392
Depreciation and amortization	30,957	–	–	59	–	31,016
Insurance	480	–	–	–	–	480
Interest	2,566	–	–	–	–	2,566
Total operating expenses	426,496	3,250	–	268	(4)	430,010
Income (loss) from operations	37,044	–	–	(113)	–	36,931
Non-operating gains and losses, net	5,852	2,395	–	–	(2,395)	5,852
Excess (deficiency) of revenue over expenses	42,896	2,395	–	(113)	(2,395)	42,783
Unrestricted net assets:						
Excess (deficiency) of revenue over expenses	42,896	2,395	–	(113)	(2,395)	42,783
Net assets released from restrictions used for capital acquisitions	2,445	–	–	–	–	2,445
Net change in Interest in Foundation	–	1,637	–	–	(1,637)	–
Transfers (to) from BH	(3,904)	–	3,904	–	–	–
Transfers to YNHHSC	(25,000)	–	–	–	–	(25,000)
Transfers to YNHHSC – mission support	(17,682)	–	–	–	–	(17,682)
Other transfers	(13)	–	(152)	50	–	(115)
Pension liability adjustment	(20,970)	–	–	–	–	(20,970)
(Decrease) increase in unrestricted net assets	(22,228)	4,032	3,752	(63)	(4,032)	(18,539)

Bridgeport Hospital and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets (continued)

(In Thousands)

	Hospital	Foundation	Parent	Properties	Eliminations	Total
Temporarily restricted net assets:						
Net changes in interest in the Foundation:						
Net assets released from restrictions used for operations	$ (3,250)	$ –	$ –	$ –	$ 3,250	$ –
Change in unrealized gains and losses on investments	993	–	–	–	(993)	–
Bequests, contributions, and grants	6,328	–	–	–	(6,328)	–
Net realized investment gains and losses	369	–	–	–	(369)	–
Transfers to the Hospital	(3,978)	–	–	–	3,978	–
Other changes in net assets	350	–	–	–	(350)	–
Net assets released from restrictions used for operations	(3,819)	(3,250)	–	–	–	(7,069)
Net assets released from restrictions used for capital acquisitions	(2,445)	–	–	–	–	(2,445)
Change in unrealized gains and losses on investments	1,942	993	–	–	–	2,935
Bequests, contributions, and grants	–	6,328	–	–	–	6,328
Net realized investment gains	387	369	–	–	–	756
Other changes in net assets	391	350	–	–	–	741
Transfers from the Foundation and other transfers	3,978	(3,978)	–	–	–	–
Increase (decrease) in temporarily restricted net assets	1,246	812	–	–	(812)	1,246
Permanently restricted net assets:						
Bequests, contributions, and grants	955	954	–	–	(954)	955
Increase (decrease) in permanently restricted net assets	955	954	–	–	(954)	955
(Decrease) increase in net assets	(20,027)	5,798	3,752	(63)	(5,798)	(16,338)
Net assets (deficiency) at beginning of year	175,860	60,014	(3,752)	1,003	(60,014)	173,111
Net assets (deficiency) at end of year	$ 155,833	$ 65,812	$ –	$ 940	$ (65,812)	$ 156,773

DOHP2337

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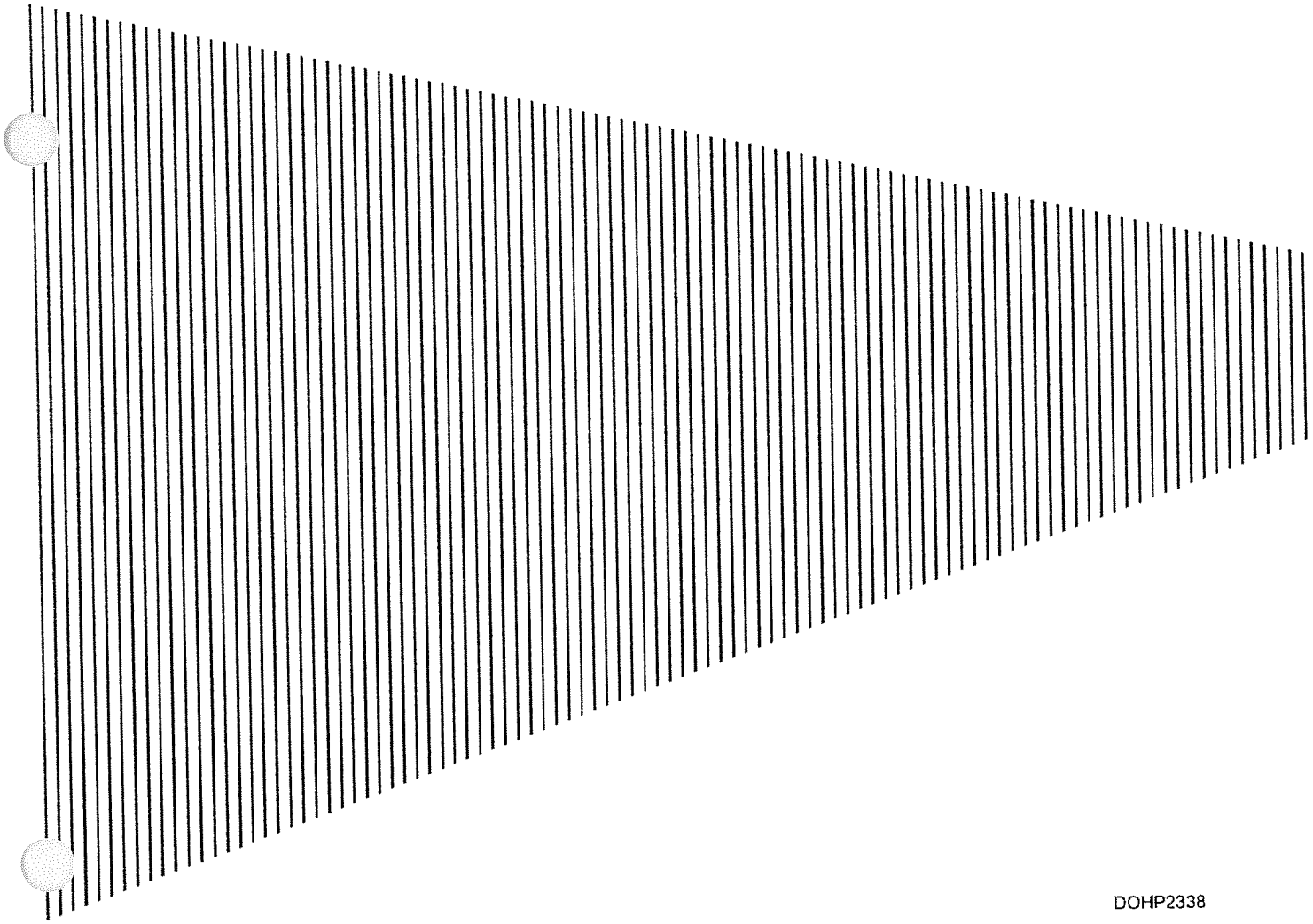

DOHP2338

"PUBLIC INSPECTION COPY"

Form 990 Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning OCT 1, 2011 and ending SEP 30, 2012

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: BRIDGEPORT HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 267 GRANT STREET

Room/suite:

City or town, state or country, and ZIP + 4: BRIDGEPORT, CT 06610

D Employer identification number: 06-0646554

E Telephone number: 203-688-6679

G Gross receipts $: 444,266,338.

F Name and address of principal officer: PATRICK MCCABE
267 GRANT ST, BRIDGEPORT, CT 06610

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BRIDGEPORTHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1878

M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	13
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	2964
6	Total number of volunteers (estimate if necessary)	448
7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,993,835.	2,774,608.
9	Program service revenue (Part VIII, line 2g)	409,614,594.	420,615,529.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,478,243.	1,616,983.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,064,187.	13,972,534.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	420,150,859.	438,979,654.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	11,000.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	194,072,672.	198,130,576.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	192,164,527.	210,631,559.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	386,237,199.	408,773,135.
19	Revenue less expenses. Subtract line 18 from line 12	33,913,660.	30,206,519.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	328,429,551.	389,784,478.
21	Total liabilities (Part X, line 26)	209,614,015.	266,526,575.
22	Net assets or fund balances. Subtract line 21 from line 20	118,815,536.	123,257,903.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ PATRICK MCCABE, TREASURER, SR VP, CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: CHRISTOPHER B. BOGGS	Preparer's signature: Christopher B. Boggs	Date: 08/15/2013	Check ☐ if self-employed	PTIN: P00032493
Firm's name ▶ ERNST & YOUNG U.S., LLP			Firm's EIN ▶	34-6565596
Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 2600 INDIANAPOLIS, IN 46204			Phone no.	317-681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

Part III Statement of Program Service Accomplishments [X]

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:
TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT FOR THE CARE AND TREATMENT OF PERSONS SUFFERING FROM DISEASE OR OTHER PHYSICAL OR MENTAL CONDITIONS WITHOUT REGARD TO RACE,COLOR, CREED, SEX, AGE OR ABILITY TO PAY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes [X] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 346,176,551. including grants of $) (Revenue $ 434,193,304.)
SCHEDULE O

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 346,176,551.

SEE SCHEDULE O FOR CONTINUATION(S)

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	385		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2964		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-*file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 17		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b	Enter the number of voting members included in line 1a, above, who are independent	1b 13		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Did the organization have members or stockholders?	6	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		X

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

MICHAEL KRAHN - 203-688-6679
789 HOWARD AVENUE, NEW HAVEN, CT 06519

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PETER F. HURST VICE CHAIR/DIRECTOR	1.00	X		X				0.	0.	0.
(2) GEORGE P. CARTER VICE CHAIR/DIRECTOR	1.00	X		X				0.	0.	0.
(3) MEREDITH B. REUBEN CHAIRMAN/DIRECTOR	1.00	X		X				0.	0.	0.
(4) RICHARD HOYT VICE CHAIR/DIRECTOR	1.00	X		X				0.	0.	0.
(5) HOWARD TAUBIN VICE CHAIR/DIRECTOR	1.00	X		X				0.	0.	0.
(6) WILLIAM M. JENNINGS PRESIDENT & CEO/DIRECTOR	36.00	X		X				478,067.	53,118.	303,580.
(7) DAVID BINDERGLASS DIRECTOR	1.00	X						0.	0.	0.
(8) EMILY E. BLAIR DIRECTOR	1.00	X						0.	0.	0.
(9) GAYLE L. CAPOZZALO DIRECTOR	1.00	X						0.	1,217,519.	203,569.
(10) JANET M. HANSEN DIRECTOR	1.00	X						0.	0.	0.
(11) NEWMAN M. MARSILIUS, III DIRECTOR	1.00	X						0.	0.	0.
(12) RICHARD M. FREEDMAN DIRECTOR	1.00	X						0.	0.	0.
(13) RONALD B. NOREN DIRECTOR	1.00	X						0.	0.	0.
(14) WILLIAM G. HULCHER DIRECTOR	1.00	X						0.	0.	0.
(15) JOHN FALCONI DIRECTOR	1.00	X						0.	0.	0.
(16) PATRICIA L. MCDERMOTT DIRECTOR	1.00	X						0.	0.	0.
(17) DUNCAN M. O'BRIEN, JR DIRECTOR	1.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) RUSSELL FUCHS DIRECTOR	1.00	X						0.	0.	0.
(19) FRED MCKINNEY DIRECTOR	1.00	X						0.	0.	0.
(20) PETER TORTORA DIRECTOR	1.00	X						0.	0.	0.
(21) ROBERT S. POLMAN (THRU 1/2012) DIRECTOR	2.00	X						28,838.	0.	0.
(22) JEFFREY P. PINO (THRU 5/2012) DIRECTOR	1.00	X						0.	0.	0.
(23) PATRICK MCCABE SENIOR VP, CFO & TREASURER	24.00			X				307,906.	204,843.	172,336.
(24) MICHAEL IVY SENIOR VP	40.00			X				353,758.	0.	46,810.
(25) MARYELLEN KOSTURKO SENIOR VP	40.00			X				289,348.	0.	34,479.
(26) CAROLYN SALSGIVER SENIOR VP	40.00			X				340,040.	0.	125,435.
1b Sub-total								1,797,957.	1,475,480.	886,209.
c Total from continuation sheets to Part VII, Section A								4,965,323.	1,669,783.	1,167,989.
d Total (add lines 1b and 1c)								6,763,280.	3,145,263.	2,054,198.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 248

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CARDIAC SPECIALISTS 1305 POST RD, FAIRFIELD, CT 06824	MEDICAL SERVICE	4,823,150.
CERNER CORPORATION 2800 ROCKCREEK PKWY , KANSAS CITY, MO 64141	MEDICAL SERVICE	2,858,711.
NOVAMED 30 NUTMEG DRIVE, TRUMBULL, CT 06611	BIOMEDICAL SVC	1,951,607.
UNITEX TEXTILE RENTAL, 155 SOUTH TERRACE AVE, MOUNT VERNON, NY 10550	LAUNDRY/SERVICE	1,796,984.
SECURITAS SECURITY SERVICES PO BOX 409412, ATLANTA, GA 30384	SECURITY	1,696,501.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 115

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) JOSEPH JANELL SENIOR VP	40.00			X				368,828.	0.	100,295.
(28) BRUCE MCDONALD SENIOR VP	1.00			X				0.	518,760.	57,690.
(29) MELLISA TURNER SENIOR VP	1.00			X				0.	284,974.	114,524.
(30) MARC BRUNETTI OTHER VP	40.00			X				200,371.	0.	47,536.
(31) RYAN O'CONNELL OTHER VP	1.00			X				0.	244,783.	45,986.
(32) PATRICK SCHMINCKE OTHER VP	40.00			X				198,241.	0.	40,689.
(33) JOHN SKELLY OTHER VP	1.00			X				0.	514,325.	189,517.
(34) NORMAN G. ROTH EXECTIVE VP, COO & SECRETARY	34.00			X				605,996.	106,941.	196,451.
(35) MICHAEL WERDMANN PHYSICIAN	40.00					X		349,143.	0.	94,569.
(36) JONATHAN MAISEL PHYSICIAN	40.00					X		335,707.	0.	60,641.
(37) JAMES SIRLEAF PHYSICIAN	40.00					X		310,117.	0.	54,481.
(38) THOMAS LAMONTE PHYSICIAN	40.00					X		314,194.	0.	64,544.
(39) GUILLERMO KATIGBAK PHYSICIAN	40.00					X		302,095.	0.	70,533.
(40) HOPE JUCKEL REGAN (THRU 6/2011) FORMER OFFICER	0.00						X	759,395.	0.	30,533.
(41) ROBERT J. TREFRY (THRU 9/2010) FORMER OFFICER	0.00						X	1,221,236.	0.	0.
Total to Part VII, Section A, line 1c								4,965,323.	1,669,783	1,167,989.

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	2774608.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h Total. Add lines 1a-1f		2774608.			
Program Service Revenue		Business Code				
	2a INPATIENT REVENUE	621990	244,771,558.	244,771,558.		
	b OUTPATIENT REVENUE	621990	175,843,971.	175,843,971.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		420,615,529.			
	3 Investment income (including dividends, interest, and other similar amounts)		774,442.			774,442.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real	(ii) Personal			
	6a Gross rents	1,221,421.				
	b Less: rental expenses	826662.				
	c Rental income or (loss)	394759.				
	d Net rental income or (loss)			394,759.		394,759.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	5,278,963.	23,600.			
	b Less: cost or other basis and sales expenses	4,460,022.	0.			
	c Gain or (loss)	818941.	23,600.			
	d Net gain or (loss)			842,541.		842,541.
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less: direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA/VENDING OTHE	900099	5951332.	5951332.		
	b PEDIATRIC ANCILLARY RE	900099	5901390.	5901390.		
	c OTHER ANCILLIARY SERVI	900099	1725053.	1725053.		
	d All other revenue					
	e Total. Add lines 11a-11d		13,577,775.			
	12 Total revenue. See instructions.		438,979,654.	434,193,304.	0.	2,011,742.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	11,000.	11,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,403,072.		6,403,072.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	144373236.	118187053.	26,186,183.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	559,425.	449,810.	109,615.	
9 Other employee benefits	35,997,861.	28,943,651.	7,054,210.	
10 Payroll taxes	10,796,982.	8,681,403.	2,115,579.	
11 Fees for services (non-employees):				
a Management	825,143.	663,463.	161,680.	
b Legal	317,913.	255,621.	62,292.	
c Accounting	11,726.	11,726.		
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	89,616,485.	79,676,351.	9,940,134.	
g Other				
12 Advertising and promotion	17,679,825.	16,194,070.	1,485,755.	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	16,965,545.	13,641,287.	3,324,258.	
17 Travel	634,553.	494,951.	139,602.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	2,724,137.	2,190,365.	533,772.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	20,175,196.	16,222,034.	3,953,162.	
23 Insurance	2,890,190.	2,750,747.	139,443.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	37,138,279.	37,138,279.		
b BAD DEBT EXPENSE	16,622,861.	16,622,861.		
c DEFERRED ISSUANCE COSTS	1,798,525.	1,446,119.	352,406.	
d PUBLIC RELATIONS	1,054,666.	848,013.	206,653.	
e All other expenses	2,176,515.	1,747,747.	428,768.	
25 **Total functional expenses.** Add lines 1 through 24e	408773135.	346176551.	62,596,584.	0.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		8,000.	1	8,000.
	2	Savings and temporary cash investments		41,493,165.	2	29,560,746.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		41,819,156.	4	42,982,977.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,786,057.	8	3,617,848.
	9	Prepaid expenses and deferred charges		18,285,928.	9	25,463,841.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 411,657,184.			
	b	Less: accumulated depreciation	10b 283,721,413.	124,064,371.	10c	127,935,771.
	11	Investments - publicly traded securities		20,408,068.	11	11,742,894.
	12	Investments - other securities. See Part IV, line 11		23,757,516.	12	39,304,780.
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		54,807,290.	15	109,167,621.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		328,429,551.	16	389,784,478.
Liabilities	17	Accounts payable and accrued expenses		40,756,922.	17	41,239,465.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		45,815,000.	20	40,298,906.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		7,774,311.	23	10,946,983.
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		115,267,782.	25	174,041,221.
	26	**Total liabilities.** Add lines 17 through 25		209,614,015.	26	266,526,575.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		74,738,033.	27	74,553,766.
	28	Temporarily restricted net assets		24,996,762.	28	28,832,421.
	29	Permanently restricted net assets		19,080,741.	29	19,871,716.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		118,815,536.	33	123,257,903.
	34	Total liabilities and net assets/fund balances		328,429,551.	34	389,784,478.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI ..... [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	438,979,654.
2	Total expenses (must equal Part IX, column (A), line 25)	2	408,773,135.
3	Revenue less expenses. Subtract line 2 from line 1	3	30,206,519.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	118,815,536.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-25,764,152.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	123,257,903.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII ..... [ ]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: [ ] Separate basis [ ] Consolidated basis [X] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of support
Total									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2011

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01-24-12

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Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ..... ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) ..... 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 ..... 15 %

16a **33 1/3% support test - 2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

b **33 1/3% support test - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ..... ▶ ☐

17a **10% -facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

b **10% -facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ..... ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ..... ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2011

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year. ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 33,215.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 40,028.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3		$ 336,416.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4		$ 40,864.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5		$ 23,150.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6		$ 1,649,151.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		$ 650,987.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ▶ $
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	0.
d Mailings to members, legislators, or the public?	X		500.
e Publications, or published or broadcast statements?		X	0.
f Grants to other organizations for lobbying purposes?		X	0.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		58,818.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	0.
i Other activities?	X		36,156.
j Total. Add lines 1c through 1i			95,474.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE AMOUNT REPORTED IN "OTHER ACTIVITIES" REPRESENTS A PORTION OF PROFESSIONAL DUES ATTRIBUTABLE TO LOBBYING DURING 2012. THE HEALTH SYSTEM OFFICIALS HAD MEETINGS AND CONTACTS WITH STATE GOVERNMENT OFFICIALS, INCLUDING STATE LEGISLATURES AND THEIR STAFF TO DISCUSS VARIOUS HEALTH CARE REFORM PROPOSALS. BRIDGEPORT HOSPITAL HAS CERTAIN

Part IV Supplemental Information *(continued)*

STAFF MEMBERS THAT LOBBY ON BEHALF OF THE HOSPITAL ON VARIOUS HEALTHCARE ISSUES.

BRIDGEPORT HOSPITAL IS PART OF A CONTROLLED GROUP WITH THE FOLLOWING LOBBYING EXPENSES:

YALE NEW HAVEN HOSPITAL	EIN 06-0646652	$ 431,000
GREENWICH HOSPITAL	EIN 06-0646659	$ 78,433

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure
☐ Protection of natural habitat
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
2a Total number of conservation easements	
2b Total acreage restricted by conservation easements	
2c Number of conservation easements on a certified historic structure included in (a)	
2d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	34,442,000.	32,083,000.	26,634,000.	28,740,000.	
b Contributions	874,000.	1,805,000.	5,076,000.	1,551,000.	
c Net investment earnings, gains, and losses	2,394,000.	1,209,000.	1,260,000.	-2,508,000.	
d Grants or scholarships					
e Other expenditures for facilities and programs	-104,000.	-655,000.	-887,000.	-1,049,000.	
f Administrative expenses					
g End of year balance	37,606,000.	34,442,000.	32,083,000.	26,634,000.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 24.00 %
c Temporarily restricted endowment ▶ 76.00 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations — 3a(i)		X
(ii) related organizations — 3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? — 3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,654,817.		1,654,817.
b Buildings		123594455.	98,506,504.	25,087,951.
c Leasehold improvements		124939173.	65,918,721.	59,020,452.
d Equipment		144305590.	119296188.	25,009,402.
e Other		17,163,149.		17,163,149.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				127935771.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) MONEY MARKET FUND	930,521.	END-OF-YEAR MARKET VALUE
(B) MUTUAL FUNDS	5,065,756.	END-OF-YEAR MARKET VALUE
(C) EQUITY SECURITIES	4,981,985.	END-OF-YEAR MARKET VALUE
(D) HEDGE FUNDS	3,886,940.	END-OF-YEAR MARKET VALUE
(E) YALE ENDOWMENT POOL	24,439,578.	END-OF-YEAR MARKET VALUE
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	39,304,780.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	824,140.
(2) DEFERRED ISSUANCE COSTS	914,175.
(3) INTEREST IN FOUNDATION, INC.	55,179,328.
(4) OTHER RECEIVABLES	1,626,690.
(5) THIRD PARTY RECEIVABLES	8,093,288.
(6) PROFESSIONAL LIABILITIES INSURANCE RECOVERIES RECEIVABLES	42,530,000.
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	109,167,621.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SELF INSURANCE	18,153,719.
(3) ASSET RETIREMENT OBLIGATIONS	12,812,713.
(4) PENSION OBLIGATION	60,816,249.
(5) DEFERRED COMPENSATION	513,531.
(6) THIRD PARTY PAYABLE	21,038,273.
(7) DUE TO AFFILIATES	18,176,736.
(8) MALPRACTICE GROSS LIABILITY	42,530,000.
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	174,041,221.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	438,979,654.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	408,773,135.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	30,206,519.
4	Net unrealized gains (losses) on investments	4	1,334,921.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-27,099,073.
9	Total adjustments (net). Add lines 4 through 8	9	-25,764,152.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	4,442,367.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	438854787.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	1,334,921.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d	4,154,124.		
e	Add lines 2a through 2d			2e	5,489,045.
3	Subtract line 2e from line 1			3	433365742.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b	5,613,912.		
c	Add lines 4a and 4b			4c	5,613,912.
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	438979654.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	403987223.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d	826,662.		
e	Add lines 2a through 2d			2e	826,662.
3	Subtract line 2e from line 1			3	403160561.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b	5,612,574.		
c	Add lines 4a and 4b			4c	5,612,574.
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	408773135.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: INTENDED USES FOR ENDOWMENT FUNDS

THE ENDOWED FUNDS' INTENDED USE IS TO GENERATE INCOME TO SUPPORT BRIDGEPORT HOSPITAL PROGRAM SERVICE FUNCTIONS AND OTHER OPERATIONS IN ACCORDANCE WITH THE BRIDGEPORT HOSPITAL POOLED INVESTMENT POLICY, TO PROVIDE FREE CARE BASED ON DONORS WISHES.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

NET CHANGE IN INTEREST IN BRIDGEPORT HOSPITAL FOUNDATION 2,843,000.

Part XIV Supplemental Information *(continued)*

INCREASE IN TEMP RESTRICTED NET ASSETS	992,000.
INCREASE IN PERM RESTRICTED NET ASSETS	791,000.
TRANSFER FROM YALE NEW HAVEN HEALTH	900,000.
TRANSFER FROM BRIDGEPORT HOSPITAL FOUNDATION	1,117,804.
NET ASSETS RELEASED FROM CAPITAL ACQUISITIONS	522,000.
PENSION LIABILITY ADJUSTMENT	-24,104,000.
TRANSFER FROM BRIDGEPORT HOSPITAL & BRIDGEPORT HOSPITAL HEALTH SERVICES	-13,487,000.
NET CHANGE IN INTEREST IN BHF	2,315,700.
RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS	1,838,423.
RECLASS THE INCOME TO INVESTMENT	-828,000.
TOTAL TO SCHEDULE D, PART XI, LINE 8	-27,099,073.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

NET CHANGE IN INTEREST IN BHF	2,315,701.
RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS	1,838,423.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	4,154,124.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RECLASS CONTRIBUTION	2,774,608.
RECLASS REFINANCE FEE TO EXPENSE	1,798,525.
RECLASS THE INCOME TO INVESTMENT	828,000.
RECLASS NET RENTAL INCOME AND EXPENSE	212,779.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	5,613,912.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

RECLASS RENTAL EXPENSE	826,662.

Part XIV Supplemental Information *(continued)*

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

RECLASS CONTRIBUTION	2,774,608.
RECLASS REFINANCE FEE TO EXPENSE	1,798,525.
RECLASS RENTAL INCOME	1,039,441.
TOTAL TO SCHEDULE D, PART XIII, LINE 4B	5,612,574.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250 %	X	
3b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [X] 400% [ ] Other ____ %	X	
3c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Did the organization prepare a community benefit report during the tax year?	X	
6b	If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		2,448	11,160,000.	2,241,000.	8,919,000.	2.27%
b Medicaid (from Worksheet 3, column a)		94,934	102,743,000.	75,023,000.	27,720,000.	7.07%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		97,382	113,903,000.	77,264,000.	36,639,000.	9.34%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	10	3,528	1,994,634.	916,368.	1,078,266.	.27%
f Health professions education (from Worksheet 5)	4	265	25,996,651.	8,419,238.	17,567,413.	4.48%
g Subsidized health services (from Worksheet 6)	2	6,850	8,986,997.	6,689,017.	2,297,980.	.59%
h Research (from Worksheet 7)	2	0	341,084.	0.	341,084.	.09%
i Cash and in-kind contributions for community benefit (from Worksheet 8)	3	25,200	87,883.	0.	87,883.	.02%
j **Total.** Other Benefits	21	35,843	37,397,249.	16,024,623.	21,372,626.	5.45%
k **Total.** Add lines 7d and 7j	21	133,225	151,300,249.	93,288,623.	58,011,626.	14.79%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	0	17,972.		17,972.	.00%
2	Economic development	1	0	26,349.		26,349.	.01%
3	Community support	3	445	46,105.		46,105.	.01%
4	Environmental improvements	1		1,212.		1,212.	.00%
5	Leadership development and training for community members						
6	Coalition building	1	0	1,956.		1,956.	.00%
7	Community health improvement advocacy						
8	Workforce development	1	71	10,316.		10,316.	.00%
9	Other						
10	Total	8	516	103,910.		103,910.	.02%

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X	
2	Enter the amount of the organization's bad debt expense	2	6,582,653.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	148619790.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	154946283.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-6,326,493.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [X] Cost accounting system [ ] Cost to charge ratio [ ] Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	NONE	NONE			

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 BRIDGEPORT HOSPITAL 267 GRANT STREET BRIDGEPORT, CT 06610	X	X	X	X			X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BRIDGEPORT HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: 20____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g ☐ Prioritization of health needs in its community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %			
If "No," explain in Part VI the criteria the hospital facility used.			

Part V Facility Information *(continued)* BRIDGEPORT HOSPITAL

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care? 10	10	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care: 400 %			
If "No," explain in Part VI the criteria the hospital facility used.			
11 Explained the basis for calculating amounts charged to patients? 11	11		X
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a ☐ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance? 12	12	X	
13 Included measures to publicize the policy within the community served by the hospital facility? 13	13	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a ☒ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☐ The policy was available on request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? 14	14	X	
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP:			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? 16	16		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 16 (check all that apply):			
a ☐ Notified patients of the financial assistance policy on admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)* BRIDGEPORT HOSPITAL

		Yes	No
Policy Relating to Emergency Medical Care			
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	X	
If "No," indicate why:			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			
Individuals Eligible for Financial Assistance			
19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☒ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.	20		X
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	21	X	

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 24

	Name and address	Type of Facility (describe)
1	BRIDGEPORT HOSPITAL PRIMARY CARE 226 MILL HILL AVE BRIDGEPORT, CT 06610	OCC HLTH/PT/REHAB/AUDIO/CARDIAC/PR CAR
2	FAIRFIELD URGENT CARE CENTER 309 STILLSON ROAD FAIRFIELD, CT 06825	URGENT CARE/LAB
3	THE CENTER FOR SLEEP MEDICINE 999 SILVER LANE TRUMBULL, CT 06610	CARDIAC TESTING
4	THE HUNTINGTON WALK-IN MEDICAL CENTER 887 BRIDGEPORT AVE SHELTON, CT 06484	URGENT CARE/LAB
5	BRIDGEPORT HOSPITAL OUTPATIENT CARD 25 GERMANTOWN ROAD DANBURY, CT 06810	CARDIAC TESTING
6	WOUND CARE/HYPERBARIC CHAMBER 141 MILL HILL AVE BRIDGEPORT, CT 06610	WOUND CARE/HYPERBARIC OXYGEN
7	AHLBIN REHABILITATION CENTER 3585 MAIN ST STRATFORD, CT 06614	OCC HEALTH/PT/REHAB
8	BRIDGEPORT HOSPITAL BLOOD DRAW STATIO 15 CORPORATE DRIVE TRUMBULL, CT 06611	LAB
9	BRIDGEPORT HOSPITAL BLOOD DRAW STATIO 3115 MAIN ST STRATFORD, CT 06614	LAB
10	PSYCHIATRIC ADULT PARTIAL HOSPITAL 305 BOSTON AVE STRATFORD, CT 06614	BEHAVIORAL CLINIC

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
11 BRIDGEPORT HOSPITAL BLOOD DRAW STATIO 4775 MAIN ST BRIDGEPORT, CT 06606	LAB
12 AHLBIN REHABILITATION CENTER 4 CORPORATE DRIVE SHELTON, CT 06484	OCC HEALTH/PT/REHAB
13 AHLBIN REHABILITATION CENTER 2600 POST ROAD SOUTHPORT, CT 06890	OCC HEALTH/PT/REHAB/LAB
14 GERIATRIC PARTIAL HOSPITAL 305 BOSTON AVE STRATFORD, CT 06614	BEHAVIORAL CLINIC
15 SLEEP CENTER 1070 MAIN ST BRIDGEPORT, CT 06604	SLEEP CENTER
16 BRIDGEPORT HOSPITAL OUTPATIENT CARD 30 PROSPECT ST RIDGEFIELD, CT 06877	CARDIAC TESTING
17 GREENWICH HOSPITAL BLOOD DRAW STATION 225 MAIN ST WESTPORT, CT 06880	LAB
18 TRUMBULL RADIATION ONCOLOGY CENTER 15 CORPORATE DRIVE TRUMBULL, CT 06610	CANCER TREATMENT/LAB
19 CHILD PARTIAL HOSPITAL 305 BOSTON AVE STRATFORD, CT 06614	BEHAVIORAL CLINIC
20 BRIDGEPORT HOSPITAL OUTPATIENT CARD 1305 POST ROAD FAIRFIELD, CT 06824	CARDIAC REHAB/CARDIAC TESTING/LAB

Part V | **Facility Information** *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
21 AHLBIN REHABILITATION CENTER 2750 RESERVOIR AVE TRUMBULL, CT 06611	OCC HEALTH/PT/REHAB
22 RADIATION THERAPY CENTER 5520 PARK AVE TRUMBULL, CT 06611	LAB
23 NORMA PFRIEM BREAST CARE CENTER 111 BEACH ROAD FAIRFIELD, CT 06824	CANCER/DI/WELLNESS/WOMENS HEALTH
24 CENTER FOR GERIATRICS 95 ARMORY ROAD STRATFORD, CT 06614	GERIATRICS

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7: COSTING METHODOLOGY EXPLANATION:

THE HOSPITAL USES A COST ACCOUNTING SYSTEM, TSI, TO CALCULATE THE AMOUNTS PRESENTED IN PART I, LINE 7. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS.

PART I, LN 7 COL(F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $16,622,861.

PART II - COMMUNITY BUILDING ACTIVITIES

BRIDGEPORT HOSPITAL (BH) IS THE LARGEST PRIVATE EMPLOYER IN BRIDGEPORT WITH 2,477 EMPLOYEES IN 2012. THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE IN IMPROVING THE HEALTH IN THE COMMUNITY IT SERVES BY PROVIDING IN-KIND AND FINANCIAL SUPPORT FOR INITIATIVES THROUGHOUT THE GREATER BRIDGEPORT AREA. MEMBERS OF THE HOSPITAL'S LEADERSHIP AND MANAGEMENT STAFF ALSO SUPPORT ECONOMIC DEVELOPMENT BY SERVING ON THE BOARDS OF THE BRIDGEPORT REGIONAL BUSINESS COUNCIL, BRIDGEPORT CHAMBER OF COMMERCE, AREA ROTARY CLUBS AND NON-PROFIT CULTURAL VENUES. THERE IS CONSIDERABLE RESEARCH

Part VI Supplemental Information

LINKING THE IMPACT OF SOCIOECONOMIC CONDITIONS TO ONE'S HEALTH. SOCIAL DETERMINANTS OF HEALTH INCLUDE HOUSING, EDUCATION, EMPLOYMENT/EMPLOYABILITY AND NEIGHBORHOOD CONDITIONS.

BRIDGEPORT HOSPITAL ALONG WITH MANY OTHER HOSPITALS ACROSS THE COUNTRY UTILIZES THE COMMUNITY BENEFITS INVENTORY FOR SOCIAL ACCOUNTABILITY (CBISA) DATABASE DEVELOPED BY LYON SOFTWARE TO CATALOG ITS COMMUNITY BENEFIT AND COMMUNITY BUILDING ACTIVITIES AND THE GUIDELINES DEVELOPED BY THE CATHOLIC HOSPITAL ASSOCIATION (CHA) IN ORDER TO CATALOG THESE BENEFITS. THESE TWO ORGANIZATIONS HAVE WORKED TOGETHER FOR OVER TWENTY YEARS TO PROVIDE SUPPORT TO NON-FOR-PROFIT HOSPITALS TO DEVELOP AND SUSTAIN EFFECTIVE COMMUNITY BENEFIT PROGRAMS.

THE MOST RECENT VERSION OF THE CHA GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT DEFINES COMMUNITY BUILDING ACTIVITIES AS PROGRAMS THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, SUCH AS POVERTY, HOMELESSNESS AND ENVIRONMENTAL PROBLEMS. THESE ACTIVITIES ARE CATEGORIZED INTO EIGHT DISTINCT AREAS INCLUDING PHYSICAL IMPROVEMENT AND HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, COALITION BUILDING, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS, AND WORKFORCE DEVELOPMENT.

WHILE BH'S VISION IS TO BE THE PREFERRED HEALTHCARE PROVIDER IN THE REGION, THE HOSPITAL IS INCREASINGLY AWARE OF HOW SOCIAL DETERMINANTS IMPACT THE HEALTH OF INDIVIDUALS AND COMMUNITIES. A PERSON'S HEALTH AND CHANCES OF BECOMING SICK AND DYING EARLY ARE GREATLY INFLUENCED BY POWERFUL SOCIAL FACTORS SUCH AS EDUCATION, INCOME, NUTRITION, HOUSING

Part VI Supplemental Information

AND NEIGHBORHOODS. DURING FISCAL YEAR 2012, BRIDGEPORT HOSPITAL PROVIDED $104,000 IN FINANCIAL AND IN-KIND DONATIONS TO SUPPORT JOB TRAINING, ECONOMIC DEVELOPMENT AND OTHER ESSENTIAL SERVICES. THE HOSPITAL CONSIDERS THESE INVESTMENTS PART OF ITS OVERALL COMMITMENT OF BUILDING STRONGER NEIGHBORHOODS. EXAMPLES BELOW FOCUS ON THE AREAS OF REVITALIZING OUR NEIGHBORHOODS AND CREATING EDUCATIONAL OPPORTUNITIES.

REVITALIZING OUR NEIGHBORHOODS

SEVERAL YEARS AGO, THE CITY OF BRIDGEPORT ORGANIZED NEIGHBORHOOD REVITALIZATION ZONES (NRZ) IN ORDER TO EXPAND AND IMPROVE BUSINESS AND HOUSING IN LOW-TO-MODERATE INCOME NEIGHBORHOODS OR AREAS WITHIN NEIGHBORHOODS. THE NRZS RECEIVED TECHNICAL ASSISTANCE FROM THE CITY AND OUTSIDE CONSULTANTS, AND ENGAGE NEIGHBORHOOD RESIDENTS, NON-PROFITS, AND FAITH-BASED ORGANIZATIONS TO MEET AND FORM STAKEHOLDER GROUPS. THESE GROUPS IDENTIFY THE PRIORITIES AND NEEDS OF THE NEIGHBORHOODS AND ARE ELIGIBLE TO BORROW STATE MONEY TO PURCHASE BLIGHTED PROPERTIES OR OFFER LOW-INTEREST LOANS TO QUALIFYING BUSINESSES FOR FACADE IMPROVEMENTS. HOSPITAL LEADERSHIP HAS BEEN ACTIVELY ENGAGED IN THE NRZ PROCESS FROM THE ONSET WITH REPRESENTATIVES SERVING ON COMMITTEES ORGANIZED IN THE CITY'S EAST END AND EAST SIDE, WHICH ARE BOTH LOCATED NEAR THE HOSPITAL.

DURING 2012, BRIDGEPORT HOSPITAL WORKED CLOSELY WITH THE CITY OF BRIDGEPORT TO DEVELOP AND IMPLEMENT AN NRZ IN THE MILL HILL NEIGHBORHOOD, WHICH DIRECTLY SURROUNDS THE HOSPITAL. IN ORDER TO BE RECOGNIZED AS AN NRZ, THE GROUP MUST RECEIVE APPROVAL FROM THE CITY COUNCIL AND DEVELOP A REVITALIZATION OR STRATEGIC PLAN FOR THE NEIGHBORHOOD. THE PROCESS FOR THE MILL HILL AREA TO BECOME AN NRZ WAS

Part VI Supplemental Information

INITIATED THROUGH A NEIGHBORHOOD WORKSHOP HELD ON JUNE 30, 2013.

SIX YEARS AGO, PRIOR TO THE CITY'S EFFORT TO DEVELOP AN NRZ IN MILL HILL, THE HOSPITAL CREATED WHAT IS NOW CALLED THE BRIDGEPORT HOSPITAL COMMUNITY PARTNERSHIP. THIS UNIQUE PROGRAM WAS DEVELOPED TO IMPLEMENT MEASURABLE AND SUSTAINABLE QUALITY-OF-LIFE ENHANCEMENTS IN THE NEIGHBORHOODS DIRECTLY SURROUNDING THE HOSPITAL. OVER 900 NEIGHBORHOOD RESIDENTS RECEIVE INVITATIONS TO ATTEND THE HOSPITAL-SPONSORED MEETINGS. THE RESIDENTS IDENTIFIED ISSUES OR CONCERNS THEY HAD RELATED TO THEIR NEIGHBORHOOD, AND THE HOSPITAL WORKED WITH ITS NETWORK OF LOCAL GOVERNMENT AND COMMUNITY ORGANIZATIONS TO ADDRESS THESE ISSUES. IN 2012, EXPERT SPEAKERS AT COMMUNITY PARTNERSHIP MEETINGS PROVIDED INFORMATION ABOUT SUCCESSFUL AGING, ECONOMIC DEVELOPMENT INITIATIVES IN THE NEIGHBORHOOD SUCH AS PLANS FOR THE FORMER GE COMPLEX ON BOSTON AVENUE AND THE PROPOSED GRANT STREET PLAZA TO IMPROVE SAFETY.

THE HOSPITAL ALSO PROVIDED OPERATIONAL SUPPORT TO THE EAST END COMMUNITY COUNCIL, A GROUP OF COMMUNITY RESIDENTS, BUSINESS, CIVIC, RELIGIOUS LEADERS AND COMMUNITY POLICE OFFICERS. THE EAST END COMMUNITY COUNCIL WORKS COLLABORATIVELY TO ENHANCE THE QUALITY OF LIFE IN THE NEIGHBORHOOD THROUGH VARIOUS INITIATIVES INCLUDING SAFE STREETS, FOOD PANTRIES, ANNUAL TOY DRIVES AND A LITTLE LEAGUE TEAM.

BRIDGEPORT HOSPITAL, ALONG WITH OTHER AREA BUSINESSES, IS A FOUNDING MEMBER OF THE SEAVIEW AVENUE BUSINESS ALLIANCE. THE SEAVIEW AVENUE BUSINESS ALLIANCE IS A NON-PROFIT ORGANIZATION DEDICATED TO IMPROVING STREETSCAPES AND IMPROVING THE AREA ALONG THE SEAVIEW AVENUE CORRIDOR. THE ORGANIZATION ALSO PROVIDES ANNUAL SCHOLARSHIPS TO STUDENTS

Part VI Supplemental Information

GRADUATING FROM HARDING HIGH SCHOOL WHO PLAN TO ATTEND COLLEGE. IN 2012, THE HOSPITAL PROVIDED FINANCIAL AND IN-KIND SUPPORT FOR THESE EFFORTS.

CREATING EDUCATIONAL OPPORTUNITIES

SINCE HIGHER EDUCATIONAL ATTAINMENT IS ASSOCIATED WITH BETTER HEALTH STATUS AND LONGER LIFE, DISPARITIES ACROSS SOCIOECONOMIC STATUS GROUPS IN THE U.S. HAVE RECEIVED INCREASING ATTENTION IN RECENT YEARS FROM RESEARCHERS, THE HEALTH POLICY COMMUNITY, AND THE GENERAL PUBLIC. FOR EXAMPLE, ADULTS AGED 25-50 YEARS WHO HAVE A COLLEGE DEGREE WILL ON AVERAGE LIVE FIVE YEARS LONGER THAN THOSE WITH LESS THAN A HIGH SCHOOL EDUCATION. ACCORDING TO THE BRIDGEPORT CHILD ADVOCACY COALITION, ONLY 70% OF BRIDGEPORT'S GRADUATING CLASS OF 2012 WENT ON TO POST-SECONDARY EDUCATION, COMPARED TO 86% STATEWIDE. RESULTS FROM THE CONNECTICUT MASTERY TEST CONSISTENTLY DEMONSTRATE AN ACHIEVEMENT GAP BETWEEN BRIDGEPORT YOUTH AND THEIR STATEWIDE PEERS.

REFLECTING ITS STRONG COMMITMENT TO THE BRIDGEPORT COMMUNITY AND SUPPORT OF EDUCATION, BRIDGEPORT HOSPITAL CONTINUED MENTORING AND CAREER EXPLORATION OPPORTUNITIES DURING THE YEAR. ONE EXAMPLE IS THE NEWLY CREATED YALE-BRIDGEPORT GEAR UP PARTNERSHIP, WHICH PROVIDES EARLY EXPOSURE TO CAREER OPPORTUNITIES FOR STUDENTS TO IMPROVE THEIR ENGAGEMENT AND MOTIVATION IN SCHOOL. THE FUNDING FOR THIS PROJECT TARGETS BRIDGEPORT STUDENTS WHO ARE IN THE GRADUATING CLASSES OF 2014 AND 2017 AND WILL FOLLOW THOSE STUDENTS FROM SEVENTH GRADE THROUGH THEIR FRESHMAN YEAR IN COLLEGE AS PART OF A RESEARCH STUDY THROUGH YALE UNIVERSITY. OVER 45 SEVENTH GRADERS ATTENDED A CAREER FAIR AND TOUR OF BRIDGEPORT HOSPITAL AS PART OF THE PROGRAM. ADDITIONAL PARTNERS

Part VI Supplemental Information

INCLUDE THE BRIDGEPORT REGIONAL BUSINESS COUNCIL, ST. VINCENT'S MEDICAL CENTER, UNITED WAY OF COASTAL FAIRFIELD COUNTY, PEOPLE'S BANK, FAIRFIELD UNIVERSITY, SACRED HEART UNIVERSITY, UNIVERSITY OF BRIDGEPORT, HOUSATONIC COMMUNITY COLLEGE AND NORWALK COMMUNITY COLLEGE.

HOSPITAL STAFF FROM VARIOUS DEPARTMENTS INCLUDING THE EMERGENCY DEPARTMENT, WOMEN'S CARE CENTER, SURGICAL SERVICES, CENTRAL STERILE PROCESSING, FOOD AND NUTRITION SERVICES, AND PHYSICAL THERAPY PARTICIPATED IN MENTORING PROGRAMS COORDINATED THROUGH THE HOSPITAL'S HUMAN RESOURCES AND VOLUNTEER SERVICES DEPARTMENTS. OVER 30 AREA HIGH SCHOOL STUDENTS PARTICIPATED IN THE PROGRAMS, WHICH INCLUDE E-MENTORING, AN INTERNSHIP PROGRAM AND TEEN CAMP FOCUSED ON PROVIDING BASIC KNOWLEDGE AND INSIGHT INTO THE SKILLS REQUIRED FOR A NUMBER OF CAREERS IN HEALTHCARE.

A SCHOOL SUPPLY DRIVE WAS HELD AT THE HOSPITAL FOR STUDENTS AT THE HALL ELEMENTARY SCHOOL. HOSPITAL EMPLOYEES CONTRIBUTED NOTEBOOKS, BINDERS, BACKPACKS, RULERS, PACKAGES OF PAPER, CRAYONS AND PENCILS AND OTHER ITEMS TO HELP ASSIST THE 350 STUDENTS TO BEGIN THEIR SCHOOL YEAR. HALL ELEMENTARY SCHOOL IS LOCATED IN THE MILL HILL NEIGHBORHOOD OF BRIDGEPORT.

AS MENTIONED IN THE PREVIOUS SECTION, BRIDGEPORT HOSPITAL THROUGH THE SEAVIEW AVENUE BUSINESS ALLIANCE PROVIDED SCHOLARSHIPS TO SENIORS FROM HARDING HIGH SCHOOL WHO WILL BE ATTENDING COLLEGE. THE HOSPITAL IS ALSO A MEMBER OF THE BRIDGEPORT CHILD ADVOCACY COALITION, WHICH IS A COALITION OF ORGANIZATIONS, PARENTS AND OTHER CONCERNED INDIVIDUALS COMMITTED TO IMPROVING THE WELL-BEING OF BRIDGEPORT'S CHILDREN THROUGH

Part VI Supplemental Information

RESEARCH, ADVOCACY, COMMUNITY EDUCATION AND MOBILIZATION.

PART III, LINE 4: FOOTNOTE FROM AUDITED FINANCIAL STATEMENTS:

THE HOSPITAL'S COMMITMENT TO COMMUNITY SERVICE IS EVIDENCED BY SERVICES PROVIDED TO THE POOR AND BENEFITS PROVIDED TO THE BROADER COMMUNITY. SERVICES PROVIDED TO THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTHCARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED.

THE HOSPITAL MAKES AVAILABLE FREE CARE PROGRAMS FOR QUALIFYING PATIENTS. IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. FOR PATIENTS WHO DO NOT AVAIL THEMSELVES OF ANY FREE CARE PROGRAM AND WHOSE ABILITY TO PAY CANNOT BE DETERMINED BY THE HOSPITAL, CARE GIVEN BUT NOT PAID FOR, IS CLASSIFIED AS CHARITY CARE. TOGETHER, CHARITY CARE AND BAD DEBT EXPENSE REPRESENT UNCOMPENSATED CARE. THE ESTIMATED COST OF TOTAL UNCOMPENSATED CARE IS APPROXIMATELY $17.7 MILLION AND $16.5 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011, RESPECTIVELY. THE ESTIMATED COST OF UNCOMPENSATED CARE IS BASED ON THE RATIO OF COST TO CHARGES, AS DETERMINED BY CLAIMS ACTIVITY. THE ALLOCATION BETWEEN BAD DEBT AND CHARITY CARE IS DETERMINED BASED ON MANAGEMENT'S ANALYSIS ON THE PREVIOUS 12 MONTHS OF HOSPITAL DATA. THIS ANALYSIS CALCULATES THE ACTUAL PERCENTAGE OF ACCOUNTS WRITTEN OFF OR DESIGNATED AS BAD DEBT VS. CHARITY CARE WHILE TAKING INTO ACCOUNT THE TOTAL COSTS INCURRED BY THE HOSPITAL FOR EACH ACCOUNT ANALYZED.

THE ESTIMATED COST OF CHARITY CARE PROVIDED WAS $11.2 MILLION AND $11.7 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011, RESPECTIVELY. THE

Part VI Supplemental Information

ESTIMATED COST OF CHARITY CARE IS ESTIMATED USING THE RATIO OF COST TO GROSS CHARGES APPLIED TO THE GROSS UNCOMPENSATED COST ASSOCIATED WITH PROVIDING CHARITY CARE.

FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011, BAD DEBT EXPENSE, AT CHARGES, WAS $16.6 MILLION AND $12.3 MILLION, RESPECTIVELY. THE BAD DEBT EXPENSE IS MULTIPLIED BY THE RATIO OF COST TO CHARGES FOR PURPOSES OF INCLUSION IN THE TOTAL UNCOMPENSATED CARE AMOUNT IDENTIFIED ABOVE.

THE CONNECTICUT DISPROPORTIONATE SHARE HOSPITAL PROGRAM ("CDSHP") WAS ESTABLISHED TO PROVIDE FUNDS TO HOSPITALS FOR THE PROVISION OF UNCOMPENSATED CARE AND IS FUNDED, IN PART, BY A 1% ASSESSMENT ON HOSPITAL NET INPATIENT SERVICE REVENUE. DURING THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011, THE HOSPITAL RECEIVED $20.0 MILLION AND $5.0 MILLION, RESPECTIVELY, IN DISTRIBUTIONS FROM CDSHP, OF WHICH APPROXIMATELY $12.6 MILLION AND $3.5 MILLION WAS RELATED TO CHARITY CARE. THE HOSPITAL MADE PAYMENTS INTO CDSHP OF $16.9 MILLION AND $4.2 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND 2011, RESPECTIVELY, FOR THE 1% ASSESSMENT.

ADDITIONALLY, THE HOSPITAL PROVIDES BENEFITS FOR THE BROADER COMMUNITY WHICH INCLUDES SERVICES PROVIDED TO OTHER NEEDY POPULATIONS THAT MAY NOT QUALIFY AS POOR BUT NEED SPECIAL SERVICES AND SUPPORT. BENEFITS INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION OF THE GENERAL COMMUNITY, INTERNS AND RESIDENTS, HEALTH SCREENINGS, AND MEDICAL RESEARCH. THE BENEFITS ARE PROVIDED THROUGH THE COMMUNITY HEALTH CENTERS, SOME OF WHICH SERVICE NON-ENGLISH SPEAKING RESIDENTS, DISABLED CHILDREN, AND VARIOUS COMMUNITY SUPPORT GROUPS. THE HOSPITAL VOLUNTARILY ASSISTS WITH THE DIRECT FUNDING OF SEVERAL CITY OF BRIDGEPORT PROGRAMS, INCLUDING AN ECONOMIC DEVELOPMENT PROGRAM AND A YOUTH INITIATIVE PROGRAM.

IN ADDITION TO THE QUANTIFIABLE SERVICES DEFINED ABOVE, THE HOSPITAL PROVIDES ADDITIONAL BENEFITS TO THE COMMUNITY THROUGH ITS ADVOCACY OF

Part VI Supplemental Information

COMMUNITY SERVICE BY EMPLOYEES. THE HOSPITAL'S EMPLOYEES SERVE NUMEROUS ORGANIZATIONS THROUGH BOARD REPRESENTATION, MEMBERSHIP IN ASSOCIATIONS AND OTHER RELATED ACTIVITIES. THE HOSPITAL ALSO SOLICITS THE ASSISTANCE OF OTHER HEALTHCARE PROFESSIONALS TO PROVIDE THEIR SERVICES AT NO CHARGE THROUGH PARTICIPATION IN VARIOUS COMMUNITY SEMINARS AND TRAINING PROGRAMS.

COSTING METHODOLOGY:

IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. THE HOSPITAL'S COST ACCOUNTING SYSTEM UTILIZES PATIENT-SPECIFIC DATA TO ACCUMULATE AND DERIVE COSTS RELATED TO THESE BAD DEBT ACCOUNTS.

PART III, LINE 8: MEDICARE EXPLANATION:

THE ENTIRE MEDICARE LOSS PRESENTED SHOULD BE TREATED AS A COMMUNITY BENEFIT FOR THE FOLLOWING REASONS: THE IRS COMMUNITY BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO MEDICARE BENEFICIARIES, IRS REVENUE RULING 69-545 INDICATES THAT HOSPITALS OPERATE FOR THE PROMOTION OF HEALTH IN THE COMMUNITY WHEN IT PROVIDES CARE TO PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, THE ORGANIZATION PROVIDES CARE TO MEDICARE PATIENTS REGARDLESS OF MEDICARE SHORTFALLS (REDUCING THE BURDEN ON THE GOVERNMENT), AND MANY OF THE MEDICARE PARTICIPANTS WOULD HAVE QUALIFIED FOR THE CHARITY CARE OR OTHER MEANS TESTED PROGRAMS ABSENT BEING ENROLLED IN THE MEDICARE PROGRAM. THE MEDICARE SHORTFALL REPORTED IS DETERMINED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM, TSI.

Part VI Supplemental Information

PART III, LINE 9B: COLLECTION PRACTICES EXPLANATION:

IF, AT ANY TIME, THE HOSPITAL, OR A COLLECTION AGENCY OR LAW FIRM, RECEIVES INFORMATION THAT A PATIENT IS OR MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER ONE OF THESE PROGRAMS, OR UNDER ANY GOVERNMENTAL OR OTHER PROGRAM, THE HOSPITAL, COLLECTION AGENCY OR LAW FIRM SHALL, CONSISTENT WITH CONNECTICUT LAW, CEASE COLLECTION EFFORTS UNTIL THE HOSPITAL DETERMINES THE PATIENT'S ELIGIBILITY FOR ASSISTANCE.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 19D:

ALL PATIENTS ARE CHARGED STANDARD GROSS CHARGES. FAP-ELIGIBLE INDIVIDUALS ARE CHARGED AT STANDARD GROSS CHARGES. AFTER A PATIENT IS GRANTED FREE CARE, THEY WOULD NOT BE BILLED. THE CHARGES ARE ADJUSTED OFF THE ACCOUNT.

BRIDGEPORT HOSPITAL:

PART V, SECTION B, LINE 21:

ALL PATIENTS ARE CHARGED STANDARD GROSS CHARGES. FAP-ELIGIBLE INDIVIDUALS ARE CHARGED AT STANDARD GROSS CHARGES. AFTER A PATIENT IS GRANTED FREE CARE, THEY WOULD NOT BE BILLED. THE CHARGES ARE ADJUSTED OFF THE ACCOUNT.

PART VI, LINE 2 - NEEDS ASSESSMENT:

BRIDGEPORT HOSPITAL IS ONE OF THE FOUNDING MEMBERS OF THE PRIMARY CARE ACTION GROUP (PCAG). FORMED NEARLY TEN YEARS AGO, THE COALITION INCLUDES TWO COMMUNITY HOSPITALS, FIVE HEALTH DEPARTMENTS/DISTRICTS, THREE COMMUNITY HEALTH CENTER, STATE AGENCIES, PHYSICIANS AND COMMUNITY ORGANIZATIONS. IN FISCAL YEAR (FY) 2012, PCAG FOCUSED ON DEVELOPING A

Part VI Supplemental Information

PLAN AND STARTING THE INITIAL WORK FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT. THE ASSESSMENT REQUIRES AN ANALYSIS OF MAJOR HEALTH NEEDS IN THE HOSPITAL'S SERVICE AREA AS WELL AS A PLAN TO ADDRESS KEY FINDINGS.

THE PCAG COMMUNITY HEALTH NEEDS ASSESSMENT SUBCOMMITTEE, WHICH INCLUDES THE PCAG MEMBERS AND ALL LOCAL TOWN HEALTH DEPARTMENTS IN A SUCCESSFUL COMMUNITY-WIDE COLLABORATION, INITIATED THE FIRST PHASE OF THE CHNA BY COMPLETING A COMPREHENSIVE INVENTORY OF EXISTING HEALTH STATUS INDICATORS AND ASSET MAPPING. HEALTH SCORECARDS WERE COMPLETED FOR EACH TOWN BASED ON HEALTHY PEOPLE 2020 BENCHMARKS, DATA GAPS WERE IDENTIFIED AND A CONSULTANT WAS SELECTED TO ASSIST WITH FILLING IN THE DATA GAPS AND LEADING THE DEVELOPMENT OF THE RESULTING COMMUNITY HEALTH IMPROVEMENT PLAN. THE CONSULTANT WORK PLAN FOR FY 2013 INCLUDES THE DEVELOPMENT OF A SURVEY TOOL TO BE USED FOR PRIMARY DATA COLLECTION, FOCUS GROUPS AND KEY STAKEHOLDER INTERVIEWS. LOCAL PCAG REPRESENTATIVES WERE ALSO VERY INVOLVED AT THE STATE LEVEL TO DEVELOP A STATE-WIDE APPROACH COMMUNITY HEALTH NEEDS ASSESSMENTS TO FACILITATE FUTURE ALIGNMENT ACROSS THE STATE OF CONNECTICUT.

THE 2012 EFFORTS OF THE PRIMARY CARE ACTION GROUP IS MEANT TO COMPLIMENT AND EXPAND PREVIOUS EFFORTS INCLUDING THE 2010 BRIDGEPORT HOSPITAL LED REVIEW OF PAST NEEDS ASSESSMENT REPORTS, LOCAL, REGIONAL, STATE AND NATIONAL PUBLIC HEALTH DATA AND STATE HOSPITAL AND OTHER LOCAL PROVIDER DATA TO IDENTIFY THE KEY HEALTH ISSUES IN THE COMMUNITY. WHERE POSSIBLE, DATA FOR INSURED PATIENTS WAS SPECIFICALLY COMPARED TO THAT OF UNINSURED PATIENTS TO IDENTIFY DIFFERENCES. THIS DATA WAS ALSO UTILIZED BY THE CITY OF BRIDGEPORT TO CREATE SPECIFIC QUESTIONS FOR A 2011 ASSESSMENT THAT RESULTED IN THE CREATION OF FACT SHEETS FOR PRIORITY AREAS INCLUDING: OBESITY, CHRONIC DISEASE: DIABETES AND

Part VI Supplemental Information

ASTHMA, LEAD TESTING, ISSUES RELATED TO CHILDREN, HOMELESSNESS, SMOKING AND FOOD INSECURITY.

PART VI, LINE 3 - PATIENT EDUCATION OF ELIGILE FOR ASSISTANCE

THE BRIDGEPORT HOSPITAL FREE CARE PROGRAM IS OFFERED THROUGH THE FOLLOWING CHANNELS: THE BRIDGEPORT HOSPITAL WEB SITE, NEWSPAPER ADVERTISEMENTS, THROUGH A FIRST STATEMENT MAILER SENT TO THE PATIENT, THROUGH THE HOSPITAL'S FRONT ACCESS/REGISTRATION AREAS ON VISIBLE POSTINGS AND COMMUNICATIONS, VISIBLE POSTINGS AND VERBAL COMMUNICATIONS MADE IN THE VIA BILLING AND COLLECTION LINES; AND THROUGH THE FREE CARE DEPARTMENT.

IF A PATIENT INQUIRIES ABOUT FREE CARE OR NEEDS FINANCIAL ASSISTANCE, AN APPLICATION IS EITHER SENT OR HANDED TO THE PATIENT TO COMPLETE. INSTRUCTIONS AND INCOME GUIDELINES ACCOMPANY THE APPLICATION IN THE PACKAGE. APPOINTMENTS ARE ALSO AVAILABLE TO ASSIST WITH THE APPLICATION PROCESS AND THE AGENCY AND FREE CARE COORDINATORS ARE READILY AVAILABLE EVERY FOURTH MONDAY OF EACH MONTH.

IN ADDITION TO THE UNRESTRICTED FREE CARE PROGRAM, THERE ARE ALSO NOMINATED BED FUNDS THAT PATIENTS CAN APPLY FOR IF THEY MEET THE FREE CARE GUIDELINES. FREE CARE ALSO INCORPORATES THE SLIDING SCALE AND CATASTROPHIC SLIDING PROGRAM. SLIDING SCALE IS OFFERED TO PATIENTS WHO HAVE NO INSURANCE AND DO NOT WISH TO APPLY FOR A VALID STATE DENIAL. ELIGIBILITY IS BASED ON FAMILY SIZE AND INCOME. CATASTROPHIC SLIDING SCALE IS FOR THOSE PATIENTS WHO ARE OVER THE INCOME THRESHOLD BUT HAVE A BILL PAYABLE TO THE HOSPITAL THAT IS 10% OR GREATER OF THEIR ANNUAL INCOME.

IF A PATIENT WISHING TO PARTICIPATE MEETS ALL ELIGIBILITY REQUIREMENTS

Part VI Supplemental Information

AND GUIDELINES THEN AN APPROVAL LETTER IS SENT TO THE PATIENT. IF A PATIENT IS MISSING INFORMATION OR DENIED, A LETTER TO THAT EFFECT IS SENT TO THE PATIENT WITH AN EXPLANATION OF WHAT IS NEEDED IN ORDER TO PROCESS AN APPEAL. FREE CARE ELIGIBILITY IS VALID FOR SIX MONTHS FROM THE APPROVAL DATE ON THE LETTER AND SLIDING SCALE ELIGIBILITY IS VALID FOR ONE YEAR FROM APPROVAL DATE INDICATED ON LETTER. ANY VISITS BY THE PATIENT TO THE HOSPITAL DURING THIS ELIGIBILITY PERIOD WILL BE TRACKED AND WRITTEN-OFF TO THE APPROPRIATE ALLOWANCE CODE.

PART VI, LINE 4 - COMMUNITY INFORMATION:

THE HOSPITAL'S PRIMARY GEOGRAPHIC AREA IS COMPRISED OF EIGHT CITIES AND TOWNS ALONG THE SOUTHWEST COAST OF CT, INCLUDING BRIDGEPORT, EASTON, FAIRFIELD, MILFORD, MONROE, SHELTON, STRATFORD AND TRUMBULL, . THE HOSPITAL ITSELF IS LOCATED IN BRIDGEPORT, WHICH IS THE MOST POPULOUS CITY IN CONNECTICUT, AND THE FIFTH LARGEST CITY IN NEW ENGLAND. LOCATED IN FAIRFIELD COUNTY, THE CITY HAS AN ESTIMATED POPULATION OF 142,546. THE CITY IS THE CORE OF THE GREATER BRIDGEPORT AREA, WHICH ITSELF IS CONSIDERED PART OF THE LABOR MARKET AREA FOR NEW YORK CITY. THE PER CAPITA INCOME FOR BRIDGEPORT IS $19,979, WHICH IS $17,648 BELOW THE STATE OF CONNECTICUT PER CAPITA INCOME OF $37,627. ABOUT 21.9% OF THE POPULATION OF BRIDGEPORT LIVES BELOW THE FEDERAL POVERTY LEVEL VERSUS 9.5% FOR THE WHOLE STATE.

BRIDGEPORT HAS A HIGH PROPORTION OF UNDER OR UNINSURED PATIENTS, WHILE THE SURROUNDING TOWNS ARE SOME OF THE MOST AFFLUENT TOWNS IN THE COUNTRY, WHICH CREATES AN URBAN/SUBURBAN DIVIDE IN THE AREA. A THIRD OF THE INPATIENTS AT BRIDGEPORT HOSPITAL, 6,268 PATIENTS (33% OF TOTAL) WERE MEDICAID OR UNINSURED IN FY 2012. THE HOSPITAL IS A DISPROPORTIONATE SHARE HOSPITAL, AND ALSO QUALIFIES FOR 340B PHARMACY

Part VI Supplemental Information

PRICING.

THE BRIDGEPORT HOSPITAL EMERGENCY ROOM PROVIDES A HEALTH CARE SAFETY NET FOR THOUSANDS OF PEOPLE EACH YEAR BY SERVING AS THE PRIMARY CARE PROVIDER FOR UNINSURED AND UNDERINSURED PATIENTS. IN FY 2012, THE TOTAL NUMBER OF EMERGENCY ROOM VISITS WERE 79,058 INCLUDING BOTH TREATED AND ADMITTED AND TREATED AND DISCHARGED PATIENTS. THE TREATED AND DISCHARGED PATIENTS MAKE UP 85 PERCENT OF THE TOTAL WITH 7,738 (10%) OF THOSE PATIENTS IDENTIFIED AS NOT HAVING INSURANCE AND ANOTHER 34,507(44%) IDENTIFIED AS MEDICAID BENEFICIARIES.

BRIDGEPORT HOSPITAL AND ST. VINCENT'S MEDICAL CENTER ARE THE TWO ACUTE CARE HOSPITALS LOCATED IN THE GREATER BRIDGEPORT AREA.

PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH

BRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING ALMOST 19,000 INPATIENTS AND MORE THAN 230,000 OUTPATIENTS A YEAR. BRIDGEPORT HOSPITAL WAS BEST IN FAIRFIELD COUNTY FOR GERIATRICS, NEPHROLOGY, PULMONARY AND UROLOGY, ACCORDING TO U.S. NEWS & WORLD REPORT'S 2012-13 BEST HOSPITAL RANKINGS. THE HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER, THE ONLY DEDICATED BURN CENTER IN THE STATE; THE HEART INSTITUTE, INCLUDING THE CONNECTICUT CARDIAC ARRHYTHMIA CENTER; THE NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CARE CENTER; THE WOMEN'S CARE CENTER; CENTER FOR WOUND HEALING & HYPERBARIC MEDICINE; AND THE AHLBIN CENTERS FOR REHABILITATION MEDICINE.

BRIDGEPORT HOSPITAL PARTICIPATES IN THE TRAINING OF MORE THAN 200 RESIDENT PHYSICIANS AND FELLOWS. A MEMBER OF YALE NEW HAVEN HEALTH SYSTEM SINCE 1996, BRIDGEPORT HOSPITAL OPERATES ITS OWN SCHOOL OF NURSING, WHICH GRADUATES MORE NURSES THAN ANY OTHER NURSING SCHOOL IN CONNECTICUT.

Part VI Supplemental Information

EVERY YEAR, AS PART OF OUR VITAL MISSION, WHICH FOCUSES ON PATIENT CARE, TEACHING, RESEARCH AND COMMUNITY SERVICE, BRIDGEPORT HOSPITAL SPONSORS, DEVELOPS AND PARTICIPATES IN A WIDE VARIETY OF COMMUNITY-BASED PROGRAMS AND SERVICES. DURING FISCAL YEAR 2012, BRIDGEPORT HOSPITAL MANAGED $58.5 MILLION IN FINANCIAL AND IN-KIND CONTRIBUTIONS THROUGH FIVE WIDE-RANGING PROGRAMS - GUARANTEEING ACCESS TO CARE; PROMOTING HEALTH AND WELLNESS; ADVANCING CAREERS IN HEALTH CARE; RESEARCH; AND CREATING HEALTHIER COMMUNITIES. A SIXTH CATEGORY, BUILDING STRONGER NEIGHBORHOODS, WAS PREVIOUSLY DISCUSSED IN RESPONSE TO QUESTION 5.

GUARANTEEING ACCESS TO CARE

BRIDGEPORT HOSPITAL (BH) RECOGNIZES THAT SOME PATIENTS MAY BE UNINSURED, NOT HAVE ADEQUATE HEALTH INSURANCE OR OTHERWISE LACK THE RESOURCES TO PAY FOR HEALTH CARE. IN FY 2012, THE TOTAL COMMUNITY BENEFIT ASSOCIATED WITH GUARANTEEING ACCESS TO CARE WAS $39.4 MILLION. HONORING ITS MISSION AND ITS COMMITMENT TO THE COMMUNITY, THE HOSPITAL PARTICIPATES IN GOVERNMENT-SPONSORED PROGRAMS SUCH AS MEDICARE, MEDICAID, HUSKY, CHAMPUS AND TRICARE. DURING FY 2012, BH PROVIDED SERVICES FOR 94,934 MEDICAID BENEFICIARIES AT A TOTAL EXPENSE OF $27.7 MILLION (AT COST). BH ALSO OFFERS A SLIDING SCALE OF DISCOUNTED FEES AND FREE CARE FOR ELIGIBLE PATIENTS. DURING FY 2012, THE HOSPITAL DELIVERED SUCH FINANCIAL ASSISTANCE SERVICES FOR A TOTAL EXPENSE OF $8.9 MILLION (AT COST).

THE HOSPITAL PROVIDES AN OUTPATIENT ACCOUNT ADVOCATE BASED IN ITS PRIMARY CARE CLINIC. THIS RESOURCE IS DEDICATED TO ASSISTING PATIENTS

Part VI Supplemental Information

IN THE PRIMARY CARE CLINIC TO ENROLL IN PUBLIC PROGRAMS. LAST YEAR, OVER 150 INDIVIDUALS WERE ASSISTED WITH ALL ASPECTS OF THE ENROLLMENT PROCESS INCLUDING PRE-SCREENING AND APPLICATION REVIEW. THE HOSPITAL ALSO CONTINUED TO FUND AN ONSITE STATE DEPARTMENT OF SOCIAL SERVICES WORKER TO ASSIST PATIENTS TO APPLY FOR STATE HEALTH INSURANCE PROGRAMS.

BRIDGEPORT HOSPITAL ALSO GUARANTEES ACCESS TO CARE BY PROVIDING CLINICAL PROGRAMS DESPITE A FINANCIAL LOSS SO SIGNIFICANT THAT NEGATIVE MARGINS REMAIN AFTER REMOVING THE EFFECTS OF FREE CARE, BAD DEBT AND UNDER-REIMBURSED MEDICAID. SUBSIDIZED HEALTH SERVICES INCLUDE OUTPATIENT PSYCHIATRIC PROGRAMS FOR CHILDREN AND ADOLESCENTS AND THE PRIMARY CARE CLINIC. TOTAL VISITS FOR THESE ESSENTIAL SERVICES BY INDIVIDUALS SEEKING DIAGNOSIS, TREATMENT AND PREVENTIVE CARE ARE OVER 36,000 ANNUALLY.

THE HOSPITAL'S COMMUNITY ASSISTANCE PROGRAM ASSISTS UNINSURED AND UNDERSERVED PATIENTS TO OBTAIN EXPENSIVE PRESCRIPTION MEDICATION AND THERAPIES FOR A VARIETY OF CONDITIONS THROUGH EXISTING PHARMACEUTICAL ASSISTANCE PROGRAMS. A FULL-TIME DEDICATED COORDINATOR FOR THE PROGRAM ASSISTED 62 PATIENTS IN THE COMMUNITY IN FY 2012, ACHIEVING AN OUT-OF-POCKET COST SAVINGS FOR THESE PATIENTS OF NEARLY $526,000. THE NORMA F. PFRIEM BREAST CARE CENTER'S UNDERSERVED PROGRAM PROVIDED FREE MEDICAL, SCREENING AND DIAGNOSTIC SERVICES TO OVER 700 UNINSURED AND UNDERINSURED WOMEN DURING THE YEAR.

AS A TESTAMENT TO THE UNIQUE COLLABORATION OF THE PRIMARY CARE ACTION GROUP (PCAG), BRIDGEPORT HOSPITAL AND ST. VINCENT'S MEDICAL CENTER TOGETHER RECEIVED THE COMMUNITY SERVICE AWARD FROM THE CONNECTICUT

Part VI Supplemental Information

HOSPITAL ASSOCIATION AND CONNECTICUT DEPARTMENT OF HEALTH FOR THE DISPENSARY OF HOPE, A PCAG INITIATIVE THAT PROVIDES PRESCRIPTION MEDICATIONS AT NO COST TO UNINSURED AND LOW-INCOME RESIDENTS OF GREATER BRIDGEPORT. THE DISPENSARY HAS HELPED MORE THAN 700 PATIENTS AND PROVIDED $200,000 IN MEDICATIONS SINCE ITS LAUNCH IN MARCH 2011.

PROMOTING HEALTH AND WELLNESS

DURING FY 2012, BRIDGEPORT HOSPITAL PROVIDED $1.1 MILLION IN COMMUNITY HEALTH IMPROVEMENT SERVICES, INCLUDING HEALTH EDUCATION PROGRAM, SUPPORT GROUPS AND HEALTH FAIRS. EXAMPLES OF THESE IMPORTANT SERVICES AND PROGRAMS ARE PROVIDED BELOW.

THE CHILD FIRST PROGRAM, THE BRIDGEPORT HOSPITAL-BASED EARLY INTERVENTION PROGRAM FOR AT-RISK CHILDREN, WAS DESIGNATED AS ONE OF ONLY NINE EVIDENCE-BASED HOME VISITING MODELS FOR MATERNAL, INFANT AND EARLY CHILDHOOD CARE BY THE U.S. HEALTH RESOURCES AND SERVICES ADMINISTRATION FOR CHILDREN AND FAMILIES. IN ADDITION, THANKS TO A MAJOR GRANT FROM THE ROBERT WOOD JOHNSON FOUNDATION AND LOCAL SUPPORTING ORGANIZATIONS, CHILD FIRST EXPANDED FROM THE BRIDGEPORT AREA TO FIVE OTHER METROPOLITAN AREAS IN CONNECTICUT: HARTFORD, NEW HAVEN, NEW LONDON, NORWALK AND WATERBURY. CHILD FIRST INTENDS TO REPLICATE THE MODEL IN AT LEAST TWO NEW STATES BY 2015.

THE HOSPITAL OFFERS THE NURTURING CONNECTIONS PARENTING PROGRAM FOR FIRST-TIME PARENTS WHO LIVE IN BRIDGEPORT. THE SUPPORT PROGRAM FOCUSES ON INFANT HEALTH AND GOOD PARENTING, AND COVERS A VARIETY OF DEVELOPMENTAL NEWBORN SUBJECTS SUCH AS ESTABLISHING ROUTINES, WAYS TO PROMOTE DEVELOPMENT IN NEWBORNS'S BRAIN, EYE, AND MOTOR AREAS AND

Part VI Supplemental Information

PROPER NUTRITION. THE PROGRAM ALSO HELPS TO CONNECT FAMILIES WITH HELPFUL COMMUNITY RESOURCES.

THE ONCOLOGY SOCIAL WORKER IN THE NORMA F. PFRIEM CANCER INSTITUTE ASSISTED 500 PATIENTS WITH REQUESTS FOR REFERRALS OR ASSISTANCE FROM OUTSIDE AGENCIES. THESE REQUESTS WERE FOR A VARIETY OF COMMUNITY RESOURCES INCLUDING TRANSPORTATION, FINANCIAL ASSISTANCE, SUPPORT SERVICES AND HEAD COVERINGS. THROUGH THESE REFERRALS INDIVIDUALS RECEIVED OVER $36,000 IN FINANCIAL GRANTS FROM ORGANIZATIONS SUCH AS THE AMERICAN CANCER SOCIETY, CANCER CARE, CONNECTICUT SPORTS FOUNDATION AGAINST CANCER, THE LEUKEMIA AND LYMPHOMA SOCIETY, NATIONAL BRAIN TUMOR ASSOCIATION, CHAIN FUND, BREAST CANCER EMERGENCY FUND AND TAKE A SWING AGAINST CANCER.

THE HOSPITAL SPONSORED FREE SUPPORT GROUPS FOR PATIENTS RECOVERING FROM CANCER, HEART DISEASE, LUNG DISEASE, STROKE AND OTHER CONDITIONS. MORE THAN 425 PEOPLE PARTICIPATED IN THESE GROUPS DURING FY 2012. MORE THAN 2,000 PEOPLE ATTENDED FREE HOSPITAL-SPONSORED HEALTH LECTURES AND AWARENESS EVENTS ON TOPICS SUCH AS BACK PAIN, DIABETES, GYNECOLOGICAL ISSUES, HEADACHES, MENTAL HEALTH AND SMOKING CESSATION. THE FIFTH ANNUAL "CELEBRATE LIFE" CANCER SURVIVORS'S EVENT AT THE CONNECTICUT BEARDSLEY ZOO IN JUNE ATTRACTED MORE THAN 650 PEOPLE AND PROVIDED INFORMATION ABOUT CANCER PREVENTION AND TREATMENT.

BRIDGEPORT HOSPITAL PROVIDED BLOOD PRESSURE SCREENINGS AND INFORMATION AT SENIOR CENTERS LOCATED IN FAIRFIELD, SHELTON AND STRATFORD TO NEARLY 600 PEOPLE. THE HOSPITAL ALSO HELD TWO BLOOD DRIVES DURING 2012, COLLECTING OVER 71 PINTS OF BLOOD.

Part VI Supplemental Information

ADVANCING CAREERS IN HEALTH CARE

AS A MAJOR ACADEMIC AFFILIATE OF YALE UNIVERSITY SCHOOL OF MEDICINE, BRIDGEPORT HOSPITAL PROVIDES A SIGNIFICANT AMOUNT OF HEALTH PROFESSIONS EDUCATION ON AN ANNUAL BASIS. THIS INCLUDES GRADUATE AND INDIRECT MEDICAL EDUCATION IN THE AREA OF RESIDENCY AND FELLOWSHIP EDUCATION FOR PHYSICIANS/MEDICAL STUDENTS, THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING INCLUDING A STUDENT REGISTERED NURSE ANESTHETIST PROGRAM, ALLIED HEALTH EDUCATION, RADIOLOGY RESIDENCY PROGRAM, PASTORAL CARE RESIDENCY PROGRAM AND A PHARMACY PROGRAM. IN ADDITION, THE HOSPITAL PROVIDES A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO STUDENTS ENROLLED IN VARIOUS ALLIED HEALTH FIELDS INCLUDING NURSING, LABORATORY AND RADIOLOGY. IN 2012, THE COST TO BH TO PROVIDE FUNDING FOR HEALTHCARE TRAINING AND EDUCATION PROGRAMS WAS MORE THAN $17.6 MILLION, AND BENEFITED 265 INDIVIDUALS.

ALL FOUR BRIDGEPORT HOSPITAL RESIDENCY AND SIX HOSPITAL FELLOWSHIP PROGRAMS MAINTAINED FULL ACCREDITATION IN 2012. THE HOSPITAL ITSELF WAS REACCREDITED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION TO PROVIDE RESIDENCY AND FELLOWSHIP TRAINING. THIRTY-TWO RESIDENTS AND FELLOWS GRADUATED IN 2012 FROM BRIDGEPORT HOSPITAL PROGRAMS AND ALL OPEN POSITIONS FOR 2012-13 WERE FILLED.

IN 2012, BRIDGEPORT HOSPITAL BECAME A NATIONAL TRAINING SITE FOR CONVERGENT HYBRID ABLATION, AN INNOVATIVE PROCEDURE TO TREAT ARTERIAL FIBRILLATION THAT COMBINES THE BEST APPROACHES OF MINIMALLY INVASIVE SURGICAL AND CATHETER-BASED PROCEDURES. MORE THAN TWO DOZEN PHYSICIANS FROM ACROSS THE COUNTRY VISITED BRIDGEPORT HOSPITAL DURING THE YEAR TO TRAIN IN HYBRID ABLATION.

Part VI Supplemental Information

A TOTAL OF 93 STUDENTS GRADUATED FROM THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING (47 IN THE 15-MONTH ACCELERATED PROGRAM AND 46 IN THE TRADITIONAL TWO-YEAR PROGRAM). MOST GRADUATES ACCEPTED NURSING POSITIONS AT THE HOSPITAL. A TOTAL OF 14 NURSES GRADUATED WITH MASTER'S DEGREES FROM THE JOINT BRIDGEPORT HOSPITAL-FAIRFIELD UNIVERSITY NURSE ANESTHESIA PROGRAM. THE BRIDGEPORT HOSPITAL SCHOOL OF NURSING SURGICAL TECHNOLOGY PROGRAM HAD 11 GRADUATES AND 27 COMPLETED THE SCHOOL'S STERILE PROCESSING TECHNICIAN COURSE.

DURING 2012, THE HOSPITAL PROVIDED A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO 130 STUDENTS ENROLLED IN PROGRAMS FOR NURSING, LABORATORY TECHNICIANS, RADIOLOGY TECHNICIANS, PHYSICAL AND OCCUPATIONAL THERAPY, AND DIETARY PROFESSIONALS. BRIDGEPORT HOSPITAL HAS LONG STANDING PARTNERSHIPS TO PROVIDE THIS TRAINING WITH SEVERAL AREA COLLEGES AND UNIVERSITIES INCLUDING FAIRFIELD UNIVERSITY, UNIVERSITY OF CONNECTICUT, GATEWAY COMMUNITY COLLEGE, NORWALK COMMUNITY COLLEGE, GOODWIN COLLEGE, ST. JOSEPH COLLEGE, SACRED HEART UNIVERSITY, QUINNIPIAC UNIVERSITY AND SOUTHERN CONNECTICUT STATE UNIVERSITY.

RESEARCH

STATE CANCER REGISTRIES ENABLE PUBLIC HEALTH PROFESSIONALS TO BETTER UNDERSTAND AND ADDRESS CANCER BURDEN. REGISTRY DATA ARE CRITICAL FOR TARGETING PROGRAMS FOCUSED ON RISK-RELATED BEHAVIORS OR ON ENVIRONMENTAL RISK FACTORS. SUCH INFORMATION IS ALSO ESSENTIAL FOR IDENTIFYING WHEN AND WHERE CANCER SCREENING EFFORTS SHOULD BE ENHANCED AND FOR MONITORING THE TREATMENT PROVIDED TO CANCER PATIENTS. IN ADDITION, RELIABLE REGISTRY DATA ARE FUNDAMENTAL TO A VARIETY OF

Part VI Supplemental Information

RESEARCH EFFORTS, INCLUDING THOSE AIMED AT EVALUATING THE EFFECTIVENESS OF CANCER PREVENTION, CONTROL OR TREATMENT PROGRAMS. IN THE UNITED STATES, THESE DATA ARE REPORTED TO A CENTRAL STATEWIDE REGISTRY FROM VARIOUS MEDICAL FACILITIES INCLUDING HOSPITALS, PHYSICIANS'S OFFICES, THERAPEUTIC RADIATION FACILITIES, FREESTANDING SURGICAL CENTERS AND PATHOLOGY LABORATORIES. DURING FY 2012, THE TOTAL COST ASSOCIATED WITH THE BRIDGEPORT HOSPITAL CANCER REGISTRY WAS $239,400.

THE CLINICAL TRIALS COOPERATIVE GROUP PROGRAM AT BRIDGEPORT HOSPITAL, WHICH IS SPONSORED BY THE NATIONAL CANCER INSTITUTE (NCI), IS DESIGNED TO PROMOTE AND SUPPORT CLINICAL TRIALS OF NEW CANCER TREATMENTS, EXPLORE METHODS OF CANCER PREVENTION AND EARLY DETECTION, AND STUDY QUALITY-OF-LIFE ISSUES AND REHABILITATION DURING AND AFTER TREATMENT. BRIDGEPORT HOSPITAL OFFERS A NUMBER OF CLINICAL TRIALS AT VARIOUS LOCATIONS IN THE COMMUNITY. THERE ARE MANY TRIALS AVAILABLE FOR THE FOLLOWING CANCERS: BREAST CANCER, COLON CANCER, PROSTATE CANCER, LUNG CANCER, PANCREATIC CANCER, KIDNEY CANCER, OVARIAN CANCER, NON-HODGKIN'S LYMPHOMA, ANEMIA RELATED TO CANCER, RADIATION THERAPY IN BREAST CANCER, CRYOABLATION THERAPY IN BREAST CANCER AND SUPPORTIVE CARE. THE BRIDGEPORT HOSPITAL NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CANCER CENTER THROUGH THE BRIDGEPORT HOSPITAL FOUNDATION PROVIDES FUNDING FOR THE RESEARCH COORDINATOR AND DATA COORDINATOR ANNUALLY. ADDITIONAL GRANT FUNDING IS OBTAINED THROUGH THE NATIONAL INSTITUTES OF HEALTH.

CREATING HEALTHIER COMMUNITIES

IN FY 2012, BRIDGEPORT HOSPITAL CONTINUED TO WORK CLOSELY WITH A NUMBER OF NOT-FOR-PROFIT ORGANIZATIONS SUPPORTED EFFORTS TO CREATE A HEALTHIER COMMUNITY THROUGH FINANCIAL AND IN-KIND SERVICES TOTALING NEARLY

Part VI Supplemental Information

$88,000. EXAMPLES OF THESE EFFORTS ARE INCLUDED BELOW.

BRIDGEPORT HOSPITAL IS ONE OF THE FOUNDING MEMBERS OF THE PRIMARY CARE ACTION GROUP (PCAG), FORMED NEARLY TEN YEARS AGO, THE COALITION INCLUDES TWO COMMUNITY HOSPITALS, FIVE HEALTH DEPARTMENTS / DISTRICTS, THREE COMMUNITY HEALTH CENTER, STATE AGENCIES, PHYSICIANS AND COMMUNITY ORGANIZATIONS. IN FISCAL YEAR (FY) 2012, PCAG FOCUSED ON DEVELOPING A PLAN AND STARTING THE INITIAL WORK FOR THE COMMUNITY HEALTH NEEDS ASSESSMENT DESCRIBED IN RESPONSE TO QUESTION 2 AND ON GET HEALTHY CONNECTICUT (CT).

GET HEALTHY CT EXPANDED ITS REACH AND IMPACT THIS YEAR. THE COALITION, WHICH WAS FORMED NEARLY TWO YEARS AGO BY MEMBERS OF PRIMARY CARE ACTION GROUP, LAUNCHED A WEBSITE TO PROVIDE INFORMATION ABOUT ITS MISSION AND MEMBER ORGANIZATIONS, AS WELL AS EDUCATION AND ACCESS TO RESOURCES ON HOW TO EAT HEALTHY AND BE PHYSICALLY ACTIVE. IT APPLIED FOR A CMS INNOVATIONS GRANT AND A CDC COMMUNITY TRANSFORMATION GRANT, AND IN APRIL, CREATED AND DISSEMINATED A HEALTHY EATING PLEDGE TO LOCAL ORGANIZATIONS AND BUSINESSES, ASKING THEM TO AGREE TO SERVE HEALTHY FOODS AT MEETINGS. OVER 50 ORGANIZATIONS, INCLUDING BRIDGEPORT HOSPITAL, BUSINESSES, NON-PROFIT ORGANIZATIONS AND CHURCHES, HAVE SIGNED THE PLEDGE AND ARE SERVING HEALTHIER FOODS, WHICH WILL HELP THE COMMUNITY REDUCE OBESITY OVER TIME. A PHYSICAL ACTIVITY PLEDGE AIMED AT HELPING EMPLOYERS TO ENCOURAGE PHYSICAL ACTIVITY FOR THEIR EMPLOYEES WAS IMPLEMENTED IN SEPTEMBER.

THE HOSPITAL ALSO WORKS COLLABORATIVELY WITH MANY ORGANIZATIONS WITHIN THE GREATER BRIDGEPORT AREA AND PROVIDES EXPERTISE TO THE GOVERNING

Part VI Supplemental Information

BODIES OF OTHER ORGANIZATIONS. AS A RESULT, THE HOSPITAL PROVIDED OVER $25,000 OF IN-KIND SUPPORT TO ORGANIZATIONS AND COALITIONS SUCH AS THE PRIMARY CARE ACTION GROUP, GET HEALTHY CT, BRIDGEPORT REGIONAL BUSINESS COUNCIL'S HEALTH CARE COUNCIL, OPTIMUS HEALTHCARE, RONALD MCDONALD HOUSE OF CT, UNIVERSITY OF CONNECTICUT ALLIED HEALTH ADVISORY BOARD AND VNS OF CONNECTICUT. HOSPITAL EMPLOYEES ALSO RECRUITED VOLUNTEER WALKERS TO HELP RAISE AWARENESS AND FUNDS FOR THE AMERICAN HEART ASSOCIATION, AMERICAN CANCER SOCIETY AND THE SOUTHERN REGIONAL SICKLE CELL ASSOCIATION. THE EVENTS SUPPORT RESEARCH AND PATIENT EDUCATION INITIATIVES.

SUPPLEMENTAL INFORMATION

IN ADDITION TO THE ACTIVITIES DESCRIBED, BRIDGEPORT HOSPITAL ALSO CONTRIBUTES TO THE COMMUNITY IN WAYS THAT ARE NOT QUANTIFIED AS PART OF THIS REPORT AND SERVES AS AN IMPORTANT COMMUNITY RESOURCE. THIS INCLUDES HAVING A COMMUNITY-BASED BOARD OF DIRECTORS WITH MANY MEMBERS RESIDING IN EASTON, FAIRFIELD, STRATFORD AND TRUMBULL. THE HOSPITAL ALSO EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY. A TOTAL OF 55 PHYSICIANS JOINED THE HOSPITAL'S MEDICAL STAFF IN FISCAL YEAR 2012, WHICH NOW TOTALS 886 MEMBERS.

THE HOSPITAL AS A NOT-FOR-PROFIT APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, MEDICAL EDUCATION AND RESEARCH. FY 2012 EXAMPLES INCLUDE THE FOLLOWING PROJECTS. BRIDGEPORT HOSPITAL WAS SELECTED FOR THE SEVENTH TIME AS ONE OF THE NATION'S MOST WIRED HOSPITALS BY HOSPITALS AND HEALTH NETWORKS, A TRADE MAGAZINE PUBLISHED BY THE AMERICAN HOSPITAL ASSOCIATION. THE AWARD RECOGNIZES HEALTH SYSTEMS AND HOSPITALS AS BEING AMONG THE TOP HOSPITALS NATIONALLY TO HAVE INVESTED

Part VI Supplemental Information

IN AND SUCCESSFULLY LEVERAGED LEADING-EDGE TECHNOLOGY IN THE AREAS OF SAFETY AND QUALITY, CUSTOMER SERVICE, PUBLIC HEALTH AND SAFETY, WORKFORCE MANAGEMENT AND BUSINESS PROCESSES. IN FY 2012, BRIDGEPORT HOSPITAL CONTINUED PREPARATIONS FOR ITS SEPTEMBER 2013, INPATIENT EPIC IMPLEMENTATION WITH EXERCISES SUCH AS THE AUGUST 2012 EPIC EQUIPMENT WORKFLOW WALK-THROUGH INVOLVING DIRECTORS, MANAGERS, SUPER-USERS AND PHYSICIANS. THE EPIC SYSTEM ALLOWS CAREGIVERS TO PROVIDE ONE STANDARD OF CARE ACROSS THE SYSTEM THAT IS SAFER, MORE EFFECTIVE AND EFFICIENT, AND WILL IMPROVE PATIENT OUTCOMES.

BRIDGEPORT HOSPITAL WAS BEST IN FAIRFIELD COUNTY FOR GERIATRICS, NEPHROLOGY, PULMONARY AND UROLOGY, ACCORDING TO U.S. NEWS & WORLD REPORT'S 2012-13 BEST HOSPITAL RANKINGS. OVERALL, THE HOSPITAL WAS RANKED FOURTH BEST HOSPITAL IN CONNECTICUT. IN ADDITION, U.S. NEWS NOTED THAT BRIDGEPORT HOSPITAL "SCORED HIGH IN PATIENT SAFETY, DEMONSTRATING A COMMITMENT TO REDUCING ACCIDENTS AND MEDICAL MISTAKES. DURING FY 2012, BRIDGEPORT HOSPITAL RECEIVED VARIOUS AWARDS AND RECOGNITION INCLUDING: BRIDGEPORT HOSPITAL RECEIVED THE AMERICAN HEART ASSOCIATION / AMERICAN STROKE ASSOCIATION GET WITH THE GUIDELINES STROKE SILVER PLUS QUALITY ACHIEVEMENT AWARD FOR MEETING NATIONAL QUALITY MEASURES FOR STROKE CARE. BRIDGEPORT HOSPITAL WAS CERTIFIED BY THE JOINT COMMISSION AND DESIGNATED BY THE STATE OF CONNECTICUT AS A PRIMARY STROKE CENTER. THE CENTER FOR SLEEP MEDICINE AT BRIDGEPORT HOSPITAL WAS REACCREDITED FOR THE MAXIMUM OF FIVE YEARS BY THE AMERICAN ACADEMY OF SLEEP MEDICINE FOR MEETING RIGID NATIONAL STANDARDS GOVERNING PATIENT CARE, STAFF CREDENTIALS AND FACILITIES. THE RESPIRATORY THERAPY DEPARTMENT EARNED NATIONAL RECOGNITION FROM THE AMERICAN ASSOCIATION FOR RESPIRATORY CARE FOR MEETING A NUMBER OF

Part VI Supplemental Information

QUALITY STANDARDS FOR STAFF COMPETENCY AND CREDENTIALING, INFECTION CONTROL, 24/7 AVAILABILITY OF RESPIRATORY THERAPISTS AND MEDICAL OVERSIGHT.

THE HOSPITAL OBTAINED APPROVAL FROM THE BRIDGEPORT MUNICIPAL BOARDS AND DEPARTMENTS IN AUGUST TO CREATE THE GRANT STREET PLAZA IN FRONT OF THE HOSPITAL. THE PROJECT, WHICH WILL COMMENCE IN OCTOBER, WILL MAKE THE HOSPITAL ENTRANCE MORE WELCOMING AND SAFE.

THE HOSPITAL'S NEW OUTPATIENT RADIATION ONCOLOGY CENTER OPENED IN SEPTEMBER 2012 IN TRUMBULL ADJACENT TO OTHER CANCER SERVICES ON PARK AVENUE. THE NEW CENTER CONSOLIDATES THE HOSPITAL'S RADIATION ONCOLOGY SERVICE INTO ONE CONVENIENT, NEWLY CONSTRUCTED BUILDING THAT HOUSES A NEW STATE-OF-THE-ART LINEAR ACCELERATOR WITH INTENSITY-MODULATED RADIATION THERAPY, IMAGE GUIDED RADIATION THERAPY AND STEREOTACTIC RADIO SURGERY CAPABILITIES AND A NEW CT SIMULATOR. THE NORMA F. PFRIEM CANCER INSTITUTE PARTNERED WITH THE YALE GENETIC COUNSELING PROGRAM THROUGH THE YALE CANCER CENTER TO PROVIDE GENETIC COUNSELING SERVICES IN THE GREATER BRIDGEPORT COMMUNITY. A CERTIFIED GENETIC COUNSELOR SEES PATIENTS ONCE A MONTH AT THE NEW PARK AVENUE CAMPUS IN TRUMBULL. YALE-NEW HAVEN HOSPITAL AND BRIDGEPORT HOSPITAL INTEGRATED THEIR TWO PEDIATRIC SERVICES ON FEBRUARY 1, 2012, CREATING A SEPARATE INPATIENT CAMPUS OPERATING UNDER THE YALE-NEW HAVEN HOSPITAL LICENSE ON THE BRIDGEPORT HOSPITAL CAMPUS. THIS ACHIEVED THE GOAL OF DEVELOPING A SINGLE STANDARD OF CARE AND ENHANCED QUALITY AND EFFICIENCY.

TO ENSURE THE ONGOING PROVISION OF HIGH QUALITY CARDIAC SURGICAL CARE, BRIDGEPORT HOSPITAL INTEGRATED ITS CARDIAC SURGICAL PROGRAM WITH THE

Part VI Supplemental Information

YALE SCHOOL OF MEDICINE AND IMPLEMENTED A MEDICAL STAFF SUCCESSION PLAN THAT APPOINT TWO PHYSICIAN LEADERS FROM THE YALE SECTION OF CARDIAC SURGERY TO OVERSEE AND GROW THE HOSPITAL'S CARDIAC SURGICAL PROGRAM. AS PART OF THE INTEGRATION, THE HOSPITAL WILL WORK CLOSELY WITH YALE SCHOOL OF MEDICINE IN PROVIDING HIGH QUALITY CARDIAC SURGICAL CARE.

IN FEBRUARY, BRIDGEPORT HOSPITAL BECAME THE FIRST IN CONNECTICUT TO UTILIZE WIRELESS FETAL MONITORING TECHNOLOGY FOR FULL-TERM MOTHERS. THE NEW BELTLESS MONITORS ARE MORE COMFORTABLE AND ALLOW GREATER FREEDOM OF MOVEMENT THAN TRADITIONAL STATIONARY MONITORS, WHILE STILL PROVIDING HIGH QUALITY IMAGING.

COMMUNITY MEMBERS UTILIZE BRIDGEPORT HOSPITAL AS A VEHICLE TO CONNECT AND CONTRIBUTE TO INDIVIDUALS AND THE OVERALL COMMUNITY THROUGH PHILANTHROPY AND VOLUNTEERING. IN FY 2012, 293 ACTIVE VOLUNTEERS DEDICATED A TOTAL OF 59,625 SERVICE HOURS TO THE HOSPITAL. VOLUNTEERS WERE PLACED IN BOTH PATIENT AND NON-PATIENT AREAS INCLUDING ED, SURGEASE, ENDOSCOPY, LABOR & DELIVERY, CANCER RESOURCE CENTER, GIFT SHOP, MAIL ROOM, AND NUTRITION SERVICES. THE HOSPITAL CONDUCTS A VARIETY OF FUNDRAISING ACTIVITIES EACH YEAR, SUCH AS A ROAD RACE, GOLF AND TENNIS TOURNAMENTS, GALAS AND PIANO RECITALS, WHICH HELP TO CONNECT THE COMMUNITY TO THE HOSPITAL TO SUPPORT GOODWILL, REPUTATION AS WELL AS FUNDRAISING EFFORTS.

PART VI, LINE 6 - AFFILIATED HEALTH CARE INFORMATION

THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE THE

Part VI Supplemental Information

HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL IN NEED HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES. THE YALE NEW HAVEN HEALTH SYSTEM HOLDS ITS EXECUTIVES ACCOUNTABLE TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THEIR EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE. IN ADDITION, REGULAR REPORTING ON SUCH IS REQUIRED ON A QUARTERLY BASIS AND OBJECTIVES IN THE EXECUTIVES' INCENTIVE SYSTEMS ARE ASSOCIATED WITH PROVIDING BENEFITS TO THE COMMUNITY. EACH DELIVERY NETWORK'S MISSION, VISION AND BUSINESS PLANS INCORPORATES THE CONCEPTS OF WORKING WITH THEIR COMMUNITIES TO IDENTIFY OPPORTUNITIES TO PROMOTE HEALTHY COMMUNITIES; PROVIDING SERVICES IN THE COMMUNITY THAT PROMOTE HEALTH AND ENHANCE THE WELL-BEING OF THEIR COMMUNITIES AND PROVIDE CHARITY CARE AND FREE CARE TO THOSE THAT CAN NOT AFFORD THE NECESSARY SERVICES.

PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT:

CONNECTICUT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☒ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
EAST END COMMUNITY COUNCIL INC. 1149 STRATFORD AVE BRIDGEPORT, CT 06607	06 1614075	501(C)(3)	6,000.	0.			SUPPORT MISSION
LOVE CHRISTIAN ACADEMY 729 UNION AVENUE BRIDGEPORT, CT 06607	06-1448782	501(C)(3)	5,000.	0.			SUPPORT MISSION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 2.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

DOHP2406

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2011)

132101 01-27-12

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS. THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION.

DOHP2407

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III. ☒ Compensation committee ☒ Written employment contract ☐ Independent compensation consultant ☒ Compensation survey or study ☒ Form 990 of other organizations ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 WILLIAM M. JENNINGS	(i)	444,179.	0.	33,888.	194,493.	78,729.	751,289.	0.
	(ii)	49,353.	0.	3,765.	21,610.	8,748.	83,476.	0.
2 GAYLE L. CAPOZZALO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	611,828.	225,236.	380,455.	140,600.	62,969.	1,421,088.	0.
3 PATRICK MCCABE	(i)	207,947.	68,366.	31,593.	87,061.	16,427.	411,394.	0.
	(ii)	138,343.	45,482.	21,018.	57,920.	10,928.	273,691.	0.
4 MICHAEL IVY	(i)	296,589.	35,065.	22,104.	13,852.	32,958.	400,568.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 MARYELLEN KOSTURKO	(i)	234,210.	38,300.	16,838.	22,985.	11,494.	323,827.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 CAROLYN SALSGIVER	(i)	242,393.	53,390.	44,257.	105,495.	19,940.	465,475.	11,945.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 JOSEPH JANELL	(i)	247,405.	68,035.	53,388.	79,590.	20,705.	469,123.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 BRUCE MCDONALD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	405,372.	84,946.	28,442.	26,667.	31,023.	576,450.	0.
9 MELLISA TURNER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	192,662.	51,018.	41,294.	86,349.	28,175.	399,498.	0.
10 MARC BRUNETTI	(i)	169,104.	21,860.	9,407.	17,729.	29,807.	247,907.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 RYAN O'CONNELL	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	226,147.	5,000.	13,636.	7,286.	38,700.	290,769.	0.
12 PATRICK SCHMINCKE	(i)	171,714.	19,860.	6,667.	12,337.	28,352.	238,930.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JOHN SKELLY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	357,718.	91,856.	64,751.	138,206.	51,311.	703,842.	0.
14 NORMAN G. ROTH	(i)	409,454.	134,705.	61,837.	147,277.	19,706.	772,979.	0.
	(ii)	72,257.	23,772.	10,912.	25,990.	3,478.	136,409.	0.
15 MICHAEL WERDMANN	(i)	320,963.	5,167.	23,013.	24,500.	70,069.	443,712.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 JONATHAN MAISEL	(i)	308,334.	5,035.	22,338.	17,150.	43,491.	396,348.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

DOHP2409

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
			(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	JAMES SIRLEAF	(i)	290,825.	4,710.	14,582.	17,150.	37,331.	364,598.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
2	THOMAS LAMONTE	(i)	295,566.	4,661.	13,967.	24,500.	40,044.	378,738.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
3	GUILLERMO KATIGBAK	(i)	279,196.	4,465.	18,434.	22,050.	48,483.	372,628.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
4	HOPE JUCKEL-REGAN (THRU 6/2011)	(i)	197,003.	71,115.	491,277.	26,008.	4,525.	789,928.	0.
		(ii)	0.	0.	0.	0.	0.	0.	0.
5	ROBERT J. TREFRY (THRU 9/2010)	(i)	0.	244,656.	976,580.	0.	0.	1,221,236.	172,500.
		(ii)	0.	0.	0.	0.	0.	0.	0.
6		(i)							
		(ii)							
7		(i)							
		(ii)							
8		(i)							
		(ii)							
9		(i)							
		(ii)							
10		(i)							
		(ii)							
11		(i)							
		(ii)							
12		(i)							
		(ii)							
13		(i)							
		(ii)							
14		(i)							
		(ii)							
15		(i)							
		(ii)							
16		(i)							
		(ii)							

DOHP2410

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B: PART I, LINE 4 - SEVERENCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS:

	SEVERENCE	NONQUALIFIED	EQUITY-BASED
PATRICK MCCABE	$0	$71,664	$0
JOSEPH JANELL	$0	$52,640	$0
WILLIAM M. JENNINGS	$0	$107,120	$0
MELLISSA TURNER	$0	$40,416	$0
JOHN SKELLY	$0	$71,056	$0
NORMAN ROTH	$0	$94,416	$0
CAROLYN SALSGIVER	$0	$45,728	$0

THE INDIVIDUALS LISTED ABOVE ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION) AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS CONSISTENT WITH THE COMPENSATION REPORTING PER IRS INSTRUCTIONS.

INDIVIDUALS LISTED BELOW BECAME VESTED IN BENEFITS VALUED AT THE AMOUNTS RESPECTIVELY REPORTED DURING THE REPORTING YEAR. INCLUDED IN SECTION II, COLUMN B (III) ARE AMOUNTS VESTED DURING THE 2011 CALENDAR YEAR THAT WERE

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

RECOGNIZED AS TAXABLE EVENTS AND REPORTED IN THE INDIVIDUALS' 2011 CALENDAR YEAR FORM W-2S.

GAYLE CAPAZZALO $ 294,699

ROBERT TREFRY $ 24,695

HOPE JUCKEL-REGAN $ 478,872

THE SUPPLEMENTAL RETIREMENT PLAN IS DESIGNED TO ENSURE THE PAYMENT OF A COMPETITIVE LEVEL OF RETIREMENT INCOME WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME IN ORDER TO ATTRACT AND RETAIN KEY MANAGEMENT EMPLOYEES SERVING AS CORPORATE OFFICERS. THE PLAN PROVIDES SUPPLEMENTAL RETIREMENT INCOME THROUGH AN UNFUNDED, NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT UNDER SECTION 457(F) AND THROUGH A DEFERRED COMPENSATION PLAN UNDER SECTION 409A OF THE INTERNAL REVENUE CODE AND A MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES' PLAN UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA).

PART I, LINE 7:

NON-FIXED PAYMENTS PROVIDED

THE SHORT TERM INCENTIVE PLAN IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF MANAGEMENT IN RECOGNITION

DOHP2412

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES. PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES. INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY. PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES.

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

SEE PART VI FOR COLUMN (F) CONTINUATIONS

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CHEFA - SERIES D	06-0806186	20774YJE8	05/31/12	40,467,946.	REFINANCING OF SERIES A AND C BO		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	48,477,550.			
2	Amount of bonds legally defeased	40,467,946.			
3	Total proceeds of issue				
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	781,263.			
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

DOHP2414

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	.00 %		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	.00 %		%		%		%	
6 Total of lines 4 and 5	.00 %		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2 Is the bond issue a variable rate issue?		X						
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintergrated?								
e Was the hedge terminated?		X						
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?								

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SEE PART VI SUPPLEMENTAL EXPLANATION SHEET

DOHP2415

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: CHEFA - SERIES D

(F) DESCRIPTION OF PURPOSE: REFINANCING OF SERIES A AND C BONDS

PART III, LINE 3C

THE ORGANIZATION HAS IN-HOUSE LEGAL STAFF WHO PROVIDE ROUTINE REVIEW OF MANAGEMENT OR SERVICE CONTRACTS OR RESEARCH AGREEMENTS RELATING TO THE FINANCED PROPERTY TO ENSURE THAT SUCH AGREEMENTS ARE COMPLIANT WITH APPLICABLE SAFE HARBORS. IN-HOUSE COUNSEL CONSULT WITH THE HOSPITAL'S OUTSIDE BOND COUNSEL AS NEEDED, INCLUDING ON NON-ROUTINE ISSUES.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open To Public Inspection

Name of the organization

BRIDGEPORT HOSPITAL

Employer identification number

06-0646554

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
EASTERN BAG AND PAPER GROU	SEE SCHEDULE O	142,631.			X
CENTURY FINANCIAL SERVICES	SEE SCHEDULE O	528,004.			X

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: EASTERN BAG AND PAPER GROUP

(A) NAME OF PERSON: CENTURY FINANCIAL SERVICES, INC.

PART IV, COLUMN D

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

NAME OF INTERESTED PERSON: EASTERN BAG AND PAPER GROUP

TRUSTEE MEREDITH REUBEN IS THE SOLE STOCKHOLDER AND CEO OF EASTERN BAG AND PAPER GROUP. AFTER PERFORMING AN OBJECTIVE REVIEW PROCESS, WHICH INCLUDED A COMPARISON TO COMPETITIVE ALTERNATIVES AVAILABLE IN THE MARKETPLACE AND IN WHICH MS. REUBEN WAS NOT INVOLVED, THE HOSPITAL PURCHASED JANITORIAL AND FOOD SERVICE SUPPLIES AND SERVICES FROM EASTERN BAG AND PAPER GROUP.

AMOUNT OF TRANSACTION: $142,631

NAME OF INTERESTED PERSON: CENTURY FINANCIAL SERVICES, INC.

OFFICER PATRICK MCCABE IS AN OFFICER AND DIRECTOR OF CENTURY FINANCIAL SERVICES, INC. CENTURY FINANCIAL SERVICES, INC. PROVIDES BILLING AND COLLECTION SERVICES FOR THE HOSPITAL. CENTURY FINANCIAL SERVICES, INC.

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

IS PARTIALLY OWNED BY THE HOSPITAL'S CORPORATE PARENT, BRIDGEPORT HOSPITAL AND HEALTHCARE SERVICES, INC.

AMOUNT OF TRANSACTION: $528,004

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

BRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING ALMOST 19,000 INPATIENTS AND MORE THAN 230,000 OUTPATIENTS A YEAR. BRIDGEPORT HOSPITAL IS BEST IN FAIRFIELD COUNTY FOR GERIATRICS ACCORDING TO U.S. NEWS & WORLD REPORT'S 2011-2012 BEST HOSPITALS RANKINGS. THE HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER, THE ONLY DEDICATED BURN CENTER IN THE STATE; THE HEART INSTITUTE, INCLUDING THE CONNECTICUT ARRHYTHMIA CENTER; THE NORMA F. PFRIEM CANCER INSTITUTE AND BREAST CARE CENTER; THE WOMEN'S CARE CENTER; CENTER FOR WOUND HEALING & HYPERBARIC MEDICINE; AND AHLBIN CENTERS FOR REHABILITATION MEDICINE. BRIDGEPORT HOSPITAL PARTICIPATES IN THE TRAINING OF MORE THAN 200 RESIDENT PHYSICIANS AND FELLOWS. A MEMBER OF YALE NEW HAVEN HEALTH SYSTEM SINCE 1996, BRIDGEPORT HOSPITAL OPERATES ITS OWN SCHOOL OF NURSING, WHICH GRADUATES MORE NURSES THAN ANY OTHER NURSING SCHOOL IN CONNECTICUT.

DURING FISCAL YEAR (FY) 2012, BRIDGEPORT HOSPITAL PROVIDED APPROXIMATELY $58.5 MILLION DOLLARS IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES $36.6 MILLION DOLLARS IN CHARITY CARE AND UNDER REIMBURSED MEDICAID (AT COST), $17.6 MILLION IN HEALTH PROFESSIONS EDUCATION, AND OVER $4.3 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $104,000 DOLLARS WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY AND COALITION BUILDING. BRIDGEPORT HOSPITAL HAS

INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

FORM 990, PART VI:

PART I, LINE 4 & PART VI, LINE 1B

NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY

THE ORGANIZATION SOUGHT TO CONFIRM THE INDEPENDENCE OF EACH VOTING MEMBER OF ITS GOVERNING BODY BY REQUESTING THAT EACH SUCH VOTING MEMBER RESPOND TO A QUESTIONNAIRE CONTAINING THE PERTINENT INSTRUCTIONS AND DEFINITIONS AND DESIGNED TO ELICIT THE INFORMATION NECESSARY TO DETERMINE INDEPENDENCE. BASED ON RESPONSES TO THE QUESTIONNAIRES RECEIVED BY THE ORGANIZATION AND ANNUAL CONFLICTS OF INTEREST DISCLOSURES, THE ORGANIZATION WAS ABLE TO CONFIRM THAT 12 VOTING MEMBERS ARE INDEPENDENT. THE ORGANIZATION HAS NO REASON TO BELIEVE THAT THE REMAINING VOTING MEMBER IS NOT INDEPENDENT.

FORM 990, PART VI, SECTION A, LINE 2:

BUSINESS RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES, OR KEY EMPLOYEES:

TRUSTEES GEORGE P. CARTER, JANET M. HANSEN, AND RICHARD M. HOYT ARE BOARD MEMBERS OF THE SAME BUSINESS ENTITY.

SOME OF THE ORGANIZATION'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES OR JOINT VENTURES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THE TAXABLE AFFILIATES OR JOINT VENTURES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES WITH THE ORGANIZATION. THE TAXABLE AFFILIATES AND JOINT VENTURES FOR WHICH SOME OF THE ORGANIZATION'S OFFICERS SERVE ALSO AS OFFICERS AND/OR DIRECTORS INCLUDE: YALE-NEW HAVEN AMBULATORY SERVICES

Name of the organization: BRIDGEPORT HOSPITAL CORPORATION AND SAMI HEALTH, INC.

Employer identification number: 06-0646554

FORM 990, PART VI, SECTION A, LINE 6:

THE SOLE MEMBER OF BRIDGEPORT HOSPITAL IS BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES, INC.

FORM 990, PART VI, SECTION A, LINE 7A:

THE HOSPITAL IS GOVERNED BY ITS BOARD OF DIRECTORS, WHICH ELECTS THE PERSONS TO SERVE ON SUCH BOARD OF DIRECTORS

FORM 990, PART VI, SECTION A, LINE 7B:

BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES, INC. SHALL HAVE THE FOLLOWING RIGHTS, POWERS AND PRIVILEGES:

A)TO APPROVE THE ANNUAL OPERATING AND CAPITAL BUDGETS, PROGRAMS AND EXPENDITURES REQUIRING CERTIFICATE OF NEED APPROVAL BY APPROPRIATE GOVERNMENTAL BODIES, AND PLANS THAT MATERIALLY AFFECT THE GROWTH, OPERATING AND DEVELOPMENT OF THE HOSPITAL.

B)TO VOTE UPON ALL MATTERS ON WHICH MEMBERS ARE ENTITLED TO VOTE UNDER THE CONNECTICUT REVISED NONSTOCK CORPORATION ACT, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME

C)TO ELECT AND REMOVE THE DIRECTORS AND NON-VOTING PHYSICIAN DIRECTORS IN ACCORDANCE WITH THE PROVISIONS BY THESE BYLAWS.

D)TO ELECT AND REMOVE THE OFFICERS AND THE HOSPITAL IN ACCORDANCE WITH THE PROVISIONS OF THE BYLAWS

E)TO ACT ON ANY OTHER MATTERS ON WHICH ACTION BY MEMBERS IS REQUIRED OR PERMITTED BY THESE BYLAWS

FORM 990, PART VI, SECTION B, LINE 11:

Name of the organization BRIDGEPORT HOSPITAL | Employer identification number 06-0646554

THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT. THE RETURN IS INITIALLY REVIEWED BY THE ADMINISTRATIVE DIRECTOR OF FINANCE. SUBSEQUENTLY IT IS SENT TO ERNST & YOUNG US, LLP FOR THEIR INITIAL REVIEW. AFTER ALL COMMENTS FROM THE ABOVE GROUP ARE CLEARED, THE RETURN IS THEN REVIEWED BY THE CHIEF FINANCIAL OFFICER OF THE ENTITY AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US, LLP FOR FINAL REVIEW. PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF DIRECTORS VIA A WEB PORTAL.

FORM 990, PART VI, SECTION B, LINE 12C:

BRIDGEPORT HOSPITAL IS COVERED UNDER THE YALE NEW HAVEN HEALTH SERVICES CORP. CONFLICT OF INTEREST POLICY. THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC:R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES. THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER. COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT. THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT SHE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST. FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE

POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL:

THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,
(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND
(3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS.
IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT AFFAIRS COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY

SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION B, LINE 15:

LINE 15B - COMPENSATION PROCESS FOR OTHER OFFICERS OR KEY EMPLOYEES:

THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR

(1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS,

(2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND

(3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS.

IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE. THE COMPARABILITY DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT

AFFAIRS COMMITTEE. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT. OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY THE LEGAL AND RISK SERVICES DEPARTMENT. THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE. COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VII- RELATED ORGANIZATIONS

FOR INDIVIDUALS WHO RECEIVE COMPENSATION FROM RELATED ORGANIZATIONS. OFFICERS WORK AN AVERAGE OF 40 HOURS SPREAD OVER THE FILING ENTITY AND THE ENTITIES LISTED IN SCHEDULE R.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS:	1,334,921.
NET CHANGE IN INTEREST IN BRIDGEPORT HOSPITAL FOUNDATION	2,843,000.
INCREASE IN TEMP RESTRICTED NET ASSETS	992,000.
INCREASE IN PERM RESTRICTED NET ASSETS	791,000.
TRANSFER FROM YALE NEW HAVEN HEALTH	900,000.
TRANSFER FROM BRIDGEPORT HOSPITAL FOUNDATION	1,117,804.

Name of the organization: BRIDGEPORT HOSPITAL | Employer identification number: 06-0646554

NET ASSETS RELEASED FROM CAPITAL ACQUISITIONS	522,000.
PENSION LIABILITY ADJUSTMENT	-24,104,000.
TRANSFER FROM BRIDGEPORT HOSPITAL & BRIDGEPORT HOSPITAL HEALTH SERVICES	-13,487,000.
NET CHANGE IN INTEREST IN BHF	2,315,700.
RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS	1,838,423.
RECLASS THE INCOME TO INVESTMENT	-828,000.
TOTAL TO FORM 990, PART XI, LINE 5	-25,764,152.

DISCLOSURE STATEMENT RELATED TO FORMS 5471, INFORMATION RETURN OF U.S. PERSONS WITH RESPECT TO CERTAIN FOREIGN COPORATIONS, FILED ON BEHALF OF THE TAXPAYER:

UNDER THE CONSTRUCTIVE OWNERSHIP RULES OF IRC SECTIONS 958(A) AND (B), THE TAXPAYER IS REQUIRED TO FILE FORMS 5471, INFORMATION RETURN OF U.S. PERSONS WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS, AS A CATEGORY 5 FILER WITH RESPECT TO CERTAIN CONTROLLED FOREIGN CORPORATIONS (CFCS). THESE FILING REQUIREMENTS ARE OR WILL BE SATISFIED THROUGH THE FILING OF FORMS 5471 FOR THESE CFCS BY OTHER U.S. TAXPAYERS IDENTIFIED BELOW WHO HAVE THE SAME FILING REQUIREMENT.

TAXPAYER NAME: YALE-NEW HAVEN HOSPITAL

ADDRESS: 20 YORK STREET NEW HAVEN, CT 06504

IDENTIFYING NUMBER OF U.S. TAX RETURN WITH WHICH THE FORMS 5471 WERE OR WILL BE FILED: 06-0646652

IRS SERVICE CENTER WHERE U.S. TAX RETURN WAS OR WILL BE FILED: OGDEN, UT 84201-0027

Name of the organization BRIDGEPORT HOSPITAL

Employer identification number 06-0646554

SCHEDULE R (Form 990)
Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: BRIDGEPORT HOSPITAL

Employer identification number: 06-0646554

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
GREENWICH HOSPITAL - 06-0646659 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CONNECTICUT	501C3	LINE 3	GREENWICH HEALTH CARE SERVICES INC.	X	
GREENWICH HEALTH CARE SERVICES INC - 22-2593399, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	YALE NEW HAVEN HEALTH SERVICES CORP		X
THE GREENWICH HOSPITAL ENDOWMENT FUND INC - 06-1526642, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	
BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES - 06-1066729, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X

DOHP2429

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
SCHS PROPERTIES INC - 06-1297708 267 GRANT STREET BRIDGEPORT, CT 06610	TITLE HOLDING	CONNECTICUT	501C2		BRIDGEPORT HOSP & HEALTHCARE SERVICES	X	
BRIDGEPORT HOSPITAL AUXILIARY INC - 06-6042500, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSP & HEALTHCARE SERVICES	X	
BRIDGEPORT HOSPITAL FOUNDATION, INC 22-2908698, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 7	BRIDGEPORT HOSP & HEALTHCARE SERVICES	X	
NORMA F PFREIM BREAST CANCER INC - 06-0567752, 111 BEACH ROAD, FAIRFIELD, CT 06430	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSPITAL	X	
NORTHEAST MEDICAL GROUP INC - 06-1330992 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 9	YALE NEW HAVEN HEALTH SERVICES CORP	X	
NORTHEAST MEDICAL GROUP, PLLC - 35-2380180 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	NORTHEAST MEDICAL GROUP, INC	X	
YNH NETWORK CORP - 06-1513687 789 HOWARD AVE NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X
YALE-NEW HAVEN HOSPITAL - 06-0646652 20 YORK STREET NEW HAVEN, CT 06504	HEALTHCARE	CONNECTICUT	501C3	LINE 3	YNH NETWORK CORP	X	
YALE-NEW HAVEN CARE CONTINUUM CORP - 45-5235566, 789 HOWARD AVE, NEW HAVEN, CT 06519	NURSING HOME	CONNECTICUT	501C3	LINE 3	YNH NETWORK CORP	X	
CARITAS INSURANCE - 03-0322238 30 MAIN STREET BURLINGTON, VT 05401	INSURANCE	VERMONT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL	X	
YALE NEW HAVEN HEALTH SERVICES CORP - 22-2529464, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	N/A		X
PERRYRIDGE CORPORATION - 06-1207316 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HOSP & HEALTHCARE SERVICES CORP	X	

DOHP2430

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
SHORELINE SURGERY CENTER LLC - 90 0110459, 60 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
SSC II LLC - 26-1709382 111 GOOSE LANE GUILFORD, CT 06437	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
ORTHOPAEDIC & NEUROSURGERY CENTER - 27-3477197, 55 HOLLY HILL LANE, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
YNHHS-MSO INC - 06-1467717 789 HOWARD AVE NEW HAVEN, CT 06519	MANAGEMENT SERVICES	CT	N/A	C CORP	N/A	N/A	N/A
YALE NEW HAVEN AMBULATORY SERVICES - 06-1398526 40 TEMPLE STREET NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
QUINNIPIAC MEDICAL PC - 06 1405531 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
MEDICAL CENTER REALTY - 06-1110858 50 YORK STREET NEW HAVEN, CT 06511	RENTAL	CT	N/A	C CORP	N/A	N/A	N/A
YNH GERIATRIC SERVICES PC - 06-1561581 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
YNH MEDICAL SERVICES PC - 06-1561583 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
CHC PHYSICIANS, P.C. - 06-1436530 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
GREENWICH HEALTH SERVICES INC - 06-1233643 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
GREENWICH PEDIATRIC SERVICES PC - 74 3054409 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
GREENWICH INTEGRATIVE MEDICINE - 26-0236411 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
GREENWICH FERTILITY & IVF PC - 30-0145464 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A
YORK ENTERPRISES INC - 06-1110937 50 YORK STREET NEW HAVEN, CT 06511	TITLE HOLDING	CT	N/A	C CORP	N/A	N/A	N/A
YNHH-PHYSICIANS CORP - 06-1202305 789 HOWARD AVE NEW HAVEN, CT 06519	ADMININISTRATIVE SERVICES	CT	N/A	C CORP	N/A	N/A	N/A
MEDICAL CENTER PHARMACY - 06-1087673 50 YORK STREET NEW HAVEN, CT 06511	PHARMACY	CT	N/A	C CORP	N/A	N/A	N/A
GREENWICH OCCUPATIONAL HEALTH SERVICES INC - 06-1540101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NY	N/A	C CORP	N/A	N/A	N/A
LUKAN INDEMNITY COMPANY 58 PAR-LA-VALLIS RD HAMILTON, BERMUDA, BERMUDA	INSURANCE	BERMUDA	N/A	C CORP	N/A	N/A	N/A
GREENWICH OCCUPATIONAL HEALTH SERVICES OF NEW JERSEY - 45-3833883, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NJ	N/A	C CORP	N/A	N/A	N/A

DOHP2432

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Sale of assets to related organization(s)	1f		X
g	Purchase of assets from related organization(s)	1g		X
h	Exchange of assets with related organization(s)	1h		X
i	Lease of facilities, equipment, or other assets to related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from related organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations by related organization(s)	1l	X	
m	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		X
n	Sharing of paid employees with related organization(s)	1n		X
o	Reimbursement paid to related organization(s) for expenses	1o	X	
p	Reimbursement paid by related organization(s) for expenses	1p	X	
q	Other transfer of cash or property to related organization(s)	1q	X	
r	Other transfer of cash or property from related organization(s)	1r	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	YALE NEW HAVEN SERVICES CORPORATION	O	2,182,000.	TRANSACTION REVIEW
(2)	YALE NEW HAVEN SERVICES CORPORATION	L	50,566,669.	COMPARABLE MARKET VALUE
(3)	YALE NEW HAVEN SERVICES CORPORATION	Q	48,267,670.	CASH
(4)	BRIDGEPORT HOSPITAL FOUNDATION, INC	P	1,107,318.	TRANSACTION REVIEW
(5)	BRIDGEPORT HOSPITAL FOUNDATION, INC	K	363,282.	TRANSACTION REVIEW
(6)	BRIDGEPORT HOSPITAL AND HEALTHCARE	Q	13,352,228.	CASH

DOHP2433

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)BRIDGEPORT HOSPITAL FOUNDATION, INC	R	2,087,566.	CASH
(8)SCHS PROPERTIES, INC.	P	16,580.	TRANSACTION REVIEW
(9)SCHS PROPERTIES, INC.	K	14,880.	TRANSACTION REVIEW
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

DOHIP2434

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

DOHP2435

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Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

FINANCIAL STATEMENTS

Bridgeport Hospital
Years Ended September 30, 2012 and 2011
with Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Bridgeport Hospital

Financial Statements

Years Ended September 30, 2012 and 2011

Contents

Report of Independent Auditors 1

Balance Sheets 2
Statements of Operations and Changes in Net Assets 4
Statements of Cash Flows 6
Notes to Financial Statements 7

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Report of Independent Auditors

The Board of Directors
Bridgeport Hospital

We have audited the accompanying balance sheets of Bridgeport Hospital (the "Hospital") as of September 30, 2012 and 2011, and the related statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial free of material misstatement. We were not engaged to perform an audit of the al control over financial reporting. Our audits included consideration of internal control ove ancial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An au also includes examining, on a test basis, evidence supporting the amounts and disclosures in the fina ial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeport Hospital as of September 30, 2012 and 2011, and the results of its operations and its changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Notes 1 and 9 to the accompanying financial statements, in 2012 the Hospital changed its method of accounting for estimated insurance claims receivable and estimated insurance claims liabilities with the adoption of Accounting Standards Update 2012-24, *Presentation of Insurance claims and Related Insurance Recoveries.*

Ernst + Young LLP

December 21, 2012

A member firm of Ernst & Young Global Limited

Bridgeport Hospital

Balance Sheets

	September 30 2012	2011
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	**$ 15,511**	$ 37,123
Short term investments	**41,452**	18,455
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity and free care of approximately $19,025 in 2012 and $18,248 in 2011	**42,983**	41,819
Professional liabilities insurance recoveries receivable – current portion	**11,424**	10,076
Other current assets	**15,781**	10,790
Assets limited as to use	**1,875**	3,616
Total current assets	**129,026**	121,879
Assets limited as to use	**-**	5,788
Long-term investments	**21,778**	20,685
Interest in Bridgeport Hospital Foundation, Inc.	**55,179**	48,588
Professional liabilities insurance recoveries receivable – non-current	**31,106**	32,297
Other assets	**24,759**	17,502
Property, plant and equipment:		
Land and land improvements	**3,532**	3,532
Buildings and fixtures	**121,717**	121,717
Equipment	**269,245**	245,237
	394,494	370,486
Less accumulated depreciation	**283,721**	264,952
	110,773	105,534
Construction in progress	**17,163**	18,530
	127,936	124,064
Total assets	**$ 389,784**	$ 370,803

	September 30 2012	2011
	(In Thousands)	
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 10,208**	$ 13,294
Accrued expenses	**48,554**	41,298
Current portion of long-term debt	**3,809**	3,832
Professional liabilities – current portion	**11,424**	10,076
Other current liabilities	**6,775**	3,987
Total current liabilities	**80,770**	72,487
Long-term debt, net of current portion	**47,436**	49,757
Accrued pension obligation	**60,816**	51,983
Professional liabilities	**43,247**	45,548
Other long-term liabilities	**34,257**	32,214
Total liabilities	**266,526**	251,989
Commitments and contingencies		
Net assets:		
Unrestricted	**74,554**	74,736
Temporarily restricted	**28,832**	24,997
Permanently restricted	**19,872**	19,081
Total net assets	**123,258**	118,814
Total liabilities and net assets	**$ 389,784**	$ 370,803

See accompanying notes.

Bridgeport Hospital

Statements of Operations and Changes in Net Assets

	Years Ended September 30	
	2012	**2011**
	(In Thousands)	
Operating revenue:		
Net patient service revenue	**$ 420,616**	$ 409,615
Other revenue	**16,075**	7,707
Total operating revenue	**436,691**	417,322
Operating expenses:		
Salaries and benefits	**191,568**	187,168
Supplies and other expenses	**172,897**	162,819
Depreciation and amortization	**20,175**	17,879
Bad debts	**16,623**	12,302
Interest	**2,724**	3,110
Total operating expenses	**403,987**	383,278
Income from operations	**32,704**	34,044
Non-operating gains and losses, net	**2,164**	(38)
Excess of revenue over expenses	**34,868**	34,006

(Continued on next page)

Bridgeport Hospital

Statements of Operations and Changes in Net Assets (continued)

	Years Ended September 30	
	2012	2011
	(In Thousands)	
Unrestricted net assets:		
Excess of revenue over expenses	$ 34,868	$ 34,006
Transfer from Bridgeport Hospital Foundation, Inc.	1,119	166
Net assets released from restrictions used for capital acquisitions	522	535
Pension liability adjustment	(24,104)	(14,167)
Transfers to Bridgeport Hospital and Healthcare Service, Inc.	(13,487)	(9,233)
Transfers from Yale-New Haven Health Services Corporation	900	900
(Decrease) increase in unrestricted net assets	(182)	12,207
Temporarily restricted net assets:		
Net changes in the interest in Bridgeport Hospital Foundation, Inc.:		
Change in unrealized gains on investments	714	(232)
Net assets released from restrictions used for operations	(2,659)	(2,820)
Bequests, contributions, and grants	6,536	5,390
Net realized investment gains and losses	771	446
Net assets released from restrictions used for capital	(1,119)	–
Other changes in net assets	688	631
Transfers to Bridgeport Hospital	(2,088)	(2,130)
Net change in interest in Bridgeport Hospital Foundation, Inc.	2,843	1,285
Net assets released from restrictions used for operations	(2,316)	(1,831)
Change in unrealized gains and losses on investments	1,218	30
Bequests and contributions	–	223
Net realized investment gains and losses	828	821
Net assets released from restriction used for capital acquisition	(522)	(535)
Transfers from Bridgeport Hospital Foundation	2,088	2,130
Other changes in net assets	(304)	(388)
Increase in temporarily restricted net assets	3,835	1,735
Permanently restricted net assets:		
Net change in the interest in Bridgeport Hospital Foundation, Inc.:		
Bequests and contributions	791	1,773
Increase in permanently restricted net assets	791	1,773
Increase in net assets	4,444	15,715
Net assets at beginning of year	118,814	103,099
Net assets at end of year	$ 123,258	$ 118,814

See accompanying notes.

Bridgeport Hospital

Statements of Cash Flows

	Years Ended September 30	
	2012	2011
	(In Thousands)	
Cash flows from operating activities		
Increase in net assets	$ 4,444	$ 15,715
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in net interest in Bridgeport Hospital Foundation, Inc.	(6,591)	(2,946)
Depreciation and amortization	20,175	17,879
Bad debts	16,623	12,302
Bequests and contributions	–	(233)
Changes in unrealized gains and losses on investments	(2,553)	387
Transfer to Bridgeport Hospital and Healthcare Services, Inc.	13,487	9,233
Loss on refunding and refinancing of long-term debt	1,799	-
Pension liability adjustment	24,104	14,167
Changes in operating assets and liabilities:		
Accounts receivable, net	(17,787)	(24,975)
Other assets	(15,455)	(11,213)
Accounts payable	(3,086)	2,037
Accrued expenses	7,256	6,354
Professional insurance recoverable and liabilities	(1,110)	(499)
Other current liabilities, accrued pension obligation, and other long-term liabilities	(10,440)	(12,706)
Net cash provided by operating activities	30,866	24,024
Cash flows from investing activities		
Net change in investments	(21,537)	(1,413)
Assets limited as to use	7,529	(2,170)
Acquisitions of property, plant and equipment, net	(22,641)	(23,772)
Net cash used in investing activities	(36,649)	(25,877)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	40,468	6,607
Proceeds from issuance of Term Loan	5,500	–
Refunding of long-term debt	(47,145)	–
Payment of financing fees	(780)	–
Repayments of long-term debt	(385)	(3,108)
Transfer to Bridgeport Hospital and Healthcare Service, Inc.	(13,487)	(9,233)
Bequests, contributions, and grants	–	233
Net cash provided by financing activities	(15,829)	(5,501)
Net decrease in cash and cash equivalents	(21,612)	(7,354)
Cash and cash equivalents, beginning of year	37,123	44,477
Cash and cash equivalents, end of year	$ 15,511	$ 37,123

See accompanying notes.

1. Organization and Significant Accounting Policies

Bridgeport Hospital (the "Hospital") is a voluntary association incorporated under the General Statutes of the State of Connecticut. Bridgeport Hospital & Healthcare Services, Inc. ("BHHS"), a Connecticut not-for-profit corporation, is the sole member of the following not-for-profit, non-stock corporations: the Hospital, Bridgeport Hospital Foundation, Inc. (the "Foundation"), Southern Connecticut Health System Properties, Inc. ("Properties").

Yale-New Haven Health Services Corporation ("YNHHSC") is the sole member of BHHS and two similar organizations. Each of these three tax-exempt organizations serves as the sole member/parent for its respective delivery network of regional health care providers and related entities. Under the terms of an agreement with YNHHSC, BHHS and the Hospital continue to operate autonomously with separate boards, management and medical staff; however, YNHHSC approves the Hospital's strategic plans, operating and capital budgets, and Board appointments.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated receivables and payables to third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the amounts of revenue and expenses during the reporting period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

During fiscal 2012 the Hospital recorded a change in estimate of approximately $4.1 million related to favorable third-party settlements and during fiscal 2011 recorded a change in estimate of approximately $5.0 million related to favorable third-party settlements.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. See Notes 5 and 6 for additional information relative to temporarily and permanently restricted net assets.

1. Organization and Significant Accounting Policies (continued)

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use or restricted or held in the long-term investment portfolio.

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits. It is the Hospital's policy to monitor the financial strength of these institutions.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowances for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. See Note 2 for additional information relative to third-party payor programs.

Investments

The Hospital has designated all investments reported in the accompanying balance sheets as trading securities. As such, unrealized gains and losses are included in the excess of revenue and over expenses.

1. Organization and Significant Accounting Policies (continued)

Investments in marketable equity securities with readily determinable fair market values and all investment in debt securities (marketable investments) are measured at fair value based on quoted market prices.

The Hospital participates in the Yale New Haven Health System Investment Trust (the "Trust"), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities. The Trust is comprised of two pools: the Long-Term Investment Pool ("L-TIP") and the Intermediate-Term Investment Pool ("I-TIP"). Governance of the Trust is performed by the Yale New Haven Health System Investment Committee.

Under the terms of the investment management agreement with the Trust, withdrawals of the Hospital's investment in the L-TIP can be made annually by the Hospital on July 1. Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods. As of September 30, 2011, the Hospital can withdraw 100% of its investment in the L-TIP on July 1, 2012. Withdrawals of the Hospital's investment in the I-TIP in any amount can be made quarterly with 30 days advance notice.

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the Hospital holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the "University") reported net asset value per unit for measurement of the units' fair value for the Yale University investment.

Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuations of those investments and, therefore, the Hospital's holdings may be determined by the investment manager or general partner. Fund of funds investments are primarily based on financial data supplied by the underlying investee funds. Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment. The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The investments may indirectly expose the Hospital to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products. While these financial instruments may contain varying degrees of risk, the Hospital's risk with respect to such transactions is limited to its capital balance in each investment. The financial statements of the investees are audited annually by independent auditors.

1. Organization and Significant Accounting Policies (continued)

The Trust has an agreement with the University's investment office (the "Investment Management Agreement") which allows the University to manage a portion of the Trust's investments as part of the University's Endowment Pool (the "Pool"). Under the terms of the agreement for the years ended September 30, 2012 and 2011, the Trust transferred $50.0 million and $100.0 million, respectively, to the University in exchange for units in the Pool. The Trust's interest in the Pool is reported at fair value based on the net asset value per units held. The Pool invests in domestic equity, foreign equity, absolute return, private equity, real estate, fixed income and cash.

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1. For withdrawals of amounts less than $150.0 million or 75% of the Trust's investment in the Pool, $100.0 million or 50% of the Trust's investment in the Pool, and $50.0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30. For withdrawals greater than $150.0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30.

In 2011 the Investment Management Agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis. For these advances, an interest charge of Prime plus two percent (2%) will be paid by the Trust. Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of the Trust's units in the Endowment using the June 30th unit valuation. No advances have been requested or taken by the Trust.

Net realized gains and losses on investments, interest and dividends are included in excess of revenue over expenses unless the income or loss is restricted by donor or law. The change in unrealized gains and losses on all investments is included in the excess of revenue over expenses unless the income or loss is restricted by the donor.

Assets Limited as to Use

Assets limited as to use include assets held by trustee under bond indenture agreements. Amounts required to meet current liabilities are reported as current assets. These funds primarily consist of U.S. Government obligations, corporate obligations, mutual funds and money market funds. Changes in unrealized gains and losses are recorded in the excess of revenue over expenses.

1. Organization and Significant Accounting Policies (continued)

Inventories

Inventories, included in prepaid expenses and other current assets, are stated at the lower of cost or market. The Hospital values its inventories using the first-in, first-out method.

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain long-term financing. Amortization of the costs is provided using a method that approximates the interest method over the remaining term of the applicable indebtedness. Refer to Note 7 for additional information relative to debt-related matters.

Benefits and Insurance

The Hospital provides medical, dental, hospitalization and prescription drug benefits to employees for which it is self-insured. Liabilities have been accrued for claims, including claims incurred but not reported ("IBNRs"), which are based on Hospital-specific experience. At September 30, 2012 and 2011, the estimated liability for self-insured employee medical, prescription and other benefit claims and IBNRs aggregated approximately $1.0 million and $1.3 million, respectively, and is included in accrued expenses in the accompanying balance sheets.

The Hospital is effectively self-insured for workers' compensation claims. Estimated amounts are accrued for claims, including IBNRs, which are based on Hospital-specific experience. At September 30, 2012 and 2011, the estimated liability for self-insured workers' compensation claims and IBNRs, discounted at 3.0% in 2012 and 3.5% in 2011, aggregated approximately $5.2 million and $4.1 million, respectively, and is included in other long-term liabilities in the accompanying balance sheets.

Property, Plant and Equipment

Property, plant and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation and amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations. Depreciation of property, plant and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 40 years.

1. Organization and Significant Accounting Policies (continued)

Goodwill

In 2011, the Hospital acquired certain tangible and intangible assets of Cardiac Specialists, P.C. for $1.6 million. As a result of the transaction, goodwill in the amount of approximately $0.8 million was recorded and is included in other assets at September 30, 2012 and 2011.

The Hospital is required to perform an annual review of its goodwill for impairment. Based on the Hospital's review at September 30, 2012 and 2011, goodwill was determined not to be impaired.

Excess of Revenue Over Expenses

In the accompanying statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in excess of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating gains and losses.

Consistent with industry practice, contributions of, or restricted to, property, plant, and equipment, net change in Interest in Bridgeport Hospital Foundation, Inc., transfers of assets to and from affiliates for other than goods and services, and pension and other post-retirement liability adjustments are excluded from the performance indicator but are included in the changes in net assets.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal or state income taxes on related income pursuant to Section 501(a) of the Code.

Interest in Bridgeport Hospital Foundation, Inc.

The Hospital recognizes its accumulated interest in the net assets held by the Foundation as interest in Bridgeport Hospital Foundation, Inc. The Hospital recognizes the periodic change in such interest in its statements of operations and changes in net assets (net change in interest in Bridgeport Hospital Foundation, Inc.).

1. Organization and Significant Accounting Policies (continued)

Asset Retirement Obligation

The Hospital maintains an asset retirement obligation liability related to the estimated future costs to remediate environmental liabilities in certain buildings. The asset and asset retirement obligation liability were approximately $0.4 million and $12.8 million, respectively, at September 30, 2012 and approximately $0.5 million and $13.3 million, respectively, at September 30, 2011.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2011 balances previously reported in the balance sheets in order to conform with the year ended September 30, 2012 presentation.

Change in Accounting Principle

In August 2010, the Financial Accounting Standards Board ("FASB") issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which provides clarification to companies in the health care industry on the accounting for and presentation of professional and similar contingent liabilities. Under the new guidance, these liabilities should not be presented net of insurance recoveries and an insurance recovery receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. The new guidance became effective for the Hospital as of October 1, 2011. The Hospital elected to retrospectively adopt the guidance as of October 1, 2010. The adoption resulted in an increase to current assets and liabilities of approximately $10.1 million and an increase to long-term assets and liabilities of approximately $32.3 million as of September 30, 2011. The adoption did not affect the Hospital's financial condition, net results of operations, or cash flows.

New Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update No. 2011-07, "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities" ("ASU 2011-07"). Under ASU 2011-07, provision for bad debts related to patient service revenue will be presented as a deduction from patient service revenue (net of contractual allowances and discounts) on the statement of operations with

1. Organization and Significant Accounting Policies (continued)

enhanced footnote disclosure on the policies for recognizing revenue and assessing bad debts. The Hospital will adopt the presentation changes to the statement of operations for periods beginning after December 15, 2011.

In August 2010, the Financial Accounting Standards Board (FASB) issued amended guidance relating to measuring charity care for disclosures. The amended guidance requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. Separate disclosure of the amount of any cash reimbursements received for providing charity care must also be disclosed. The new disclosure requirements became effective for the Hospital on October 1, 2011 and are included in the accompanying financial statements for all periods presented.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. The difference is accounted for as allowances. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges and per diem payments. Net patient service revenue is affected by the Connecticut Disproportionate Share Hospital Program, includes premium revenue and is reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Third-party payor receivables included in other receivables were $5.3 million and $2.4 million at September 30, 2012 and 2011, respectively. Third-party payor receivables included in other long-term assets were $2.8 million and $1.9 million at September 30, 2012 and 2011, respectively. Third-party payor liabilities included in other current liabilities were $6.1 million and $4.0 million at September 30, 2012 and 2011, respectively. Third-party payor liabilities included in other long-term liabilities were $14.9 million and $13.8 million at September 30, 2012 and 2011, respectively.

The Hospital has established estimates based on information presently available, of amounts due to or from Medicare, Medicaid and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and Hospital-specific data. Such amounts are included in

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

the accompanying balance sheets. Additionally, certain payors' payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years might be realized.

Revenue from Medicare and Medicaid programs accounted for approximately 36% and 18%, respectively, of the Hospital's net patient service revenue for the year ended September 30, 2012 and 36% and 17% for the year ended September 30, 2011. Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 39% and 32%, respectively, for the year ended September 30, 2012 and approximately 37% and 32%, respectively, for the year ended September 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital. Cost reports for the Hospital, which serve as the basis for final settlement with government payors, have been settled by final settlement through 2007 for Medicare and 1994 for Medicaid. Other years remain open for settlement.

The significant concentrations of accounts receivable for services to patients include 21% from Medicare, 13% from Medicaid, and 66% from non-governmental payors at September 30, 2012 and 27% from Medicare, 13% from Medicaid, and 60% from non-governmental payors at September 30, 2011.

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

Net patient service revenue is comprised of the following for the years ended September 30, 2012 and 2011 (in thousands):

	2012	2011
Gross revenue from patients	**$ 1,390,798**	$ 1,300,540
Deductions:		
Contractual allowances	**942,001**	861,347
Charity and free care (at charges)	**28,181**	29,578
Net patient service revenue	**$ 420,616**	$ 409,615

3. Uncompensated Care and Community Benefit Expense

The Hospital's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community. Services provided to the poor include services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured.

The Hospital makes available free care programs for qualifying patients. In accordance with the established policies of the Hospital, during the registration, billing and collection process a patient's eligibility for free care funds is determined. For patients who were determined by the Hospital to have the ability to pay but did not, the uncollected amounts are bad debt expense. For patients who do not avail themselves of any free care program and whose ability to pay cannot be determined by the Hospital, care given but not paid for, is classified as charity care.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $17.7 million and $16.5 million for the years ended September 30, 2012 and 2011, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity. The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data. This analysis calculates the actual percentage of accounts written off or designated as bad debt vs. charity care while taking into account the total costs incurred by the hospital for each account analyzed.

3. Uncompensated Care and Community Benefit Expense (continued)

The estimated cost of charity care provided was $11.2 million and $11.7 million for the years ended September 30, 2012 and 2011, respectively. The estimated cost of charity care is estimated using the ratio of cost to gross charges applied to the gross uncompensated cost associated with providing charity care.

For the years ended September 30, 2012 and 2011, bad debt expense, at charges, was $16.6 million and $12.3 million, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

The Connecticut Disproportionate Share Hospital Program ("CDSHP") was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue. During the years ended September 30, 2012 and 2011, the Hospital received $20.0 million and $5.0 million, respectively, in distributions from CDSHP, of which approximately $12.6 million and $3.5 million was related to charity care. The Hospital made payments into CDSHP of $16.9 million and $4.2 million for the years ended September 30, 2012 and 2011, respectively, for the 1% assessment.

Additionally, the Hospital provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support. Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research. The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups. The Hospital voluntarily assists with the direct funding of several City of Bridgeport programs, including an economic development program and a youth initiative program.

In addition to the quantifiable services defined above, the Hospital provides additional benefits to the community through its advocacy of community service by employees. The Hospital's employees serve numerous organizations through board representation, membership in associations and other related activities. The Hospital also solicits the assistance of other healthcare professionals to provide their services at no charge through participation in various community seminars and training programs.

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, and assets limited as to use is set forth in the following table (in thousands):

	2012	2011
Money market funds	$ 5,458	$ 1,527
Mutual Funds	145	–
U.S. equity securities	3,872	1,868
U.S. equity securities – common collective trusts	428	1,427
International equity securities (a)	2,702	1,606
Fixed income:		
U.S. government	10,623	13,825
U.S. government – common collective trusts	8,897	2,105
Corporate debt	285	10,460
International government (b)	3,960	1,224
Commodities	45	43
Hedge funds:		
Absolute return (c)	2,702	1,549
Long/short equity (d)	880	542
Real estate (e)	669	435
Interest in Yale University endowment pool (f)	24,439	11,933
Total	$ 65,105	$ 48,544

(a) Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

(b) Investments with external commodities futures manager.

(c) Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions.

(d) Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

(e) Investments with external direct real estate managers and fund of funds managers. Investment vehicles both closed end REITs and limited partnerships.

(f) Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets.

The Hospital's ownership percentage of the Trust was approximately 7.0% and 3.5% as of September 30, 2012, and 2011, respectively. The Hospital's prorata portion of the Trust's investments are included in the above table. Primarily all of the above investments are deemed to be available for satisfying donor restrictions as they become due.

5. Endowment

The Hospital's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Hospital has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the Hospital and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Hospital; and (7) the investment and spending policies of the Hospital.

Changes in endowment net assets for the fiscal year ended September 30, 2012 are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 87	$ 15,274	$ 19,081	$ 34,442
Investment returns:				
Investment income	8	1,131	–	1,139
Net appreciation (realized and unrealized)	9	1,246	–	1,255
Total investment return	17	2,377	–	2,394
Appropriation of endowment assets for expenditure	–	(104)	–	(104)
Other changes:				
Contribution bequests	–	83	791	874
Endowment net assets, end of year	$ 104	$ 17,630	$ 19,872	$ 37,606

5. Endowment (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2011 are as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 80	$ 14,695	$ 17,308	$ 32,083
Investment returns:				
Investment income	9	889	–	898
Net appreciation (realized and unrealized)	(2)	(245)	–	(247)
Total investment return	7	644	–	651
Appropriation of endowment assets for expenditure	–	(97)	–	(97)
	–	32	1,773	1,805
Endowment net assets, end of year	$ 87	$ 15,274	$ 19,081	$ 34,442

From time to time, the fair value of assets associated with permanently restricted endowment funds may fall below the level determined under Connecticut UPMIFA.

6. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets as of September 30 are available for the following purposes:

	2012	2011
	(In Thousands)	
Indigent care	**$ 17,945**	$ 15,538
Capital campaign	–	16
Other health care services	**10,887**	9,443
	$ 28,832	$ 24,997

Permanently restricted net assets of approximately $19.9 million and $19.1 million for the years ended September 30, 2012 and 2011, respectively, consists of donor-restricted endowment principal. The income generated from permanently restricted funds is expendable for purposes designated by donors, including the support of various health care services.

7. Debt

A summary of debt at September 30 is as follows:

	2012	2011
	(In Thousands)	
Tax-exempt revenue bonds:		
Series A (fixed interest rates ranging from 3.50% to 6.625%)	$ –	$ 11,390
Series C (fixed interest rates ranging from 3.75% to 5.375%)	–	35,755
Series D (fixed interest rates ranging from 2.00% to 5.00%)	36,415	–
Term loan (3.22% fixed interest rate)	5,543	6,127
Term loan (1.66% fixed interest rate)	5,235	–
Capital lease obligation	168	317
	47,361	53,589
Add: premium	3,884	–
Less: current portion	(3,809)	(3,832)
	$ 47,436	$ 49,757

The Hospital's Series A and C tax-exempt revenue bonds were issued through the State of Connecticut Health and Educational Facilities Authority ("CHEFA") under a Master Trust Indenture. The bonds were due serially or via mandatory sinking fund redemptions through July 1, 2025. The bonds were collateralized by a pledge of the gross receipts of the Hospital and the Foundation (the "Obligated Group") and a first mortgage on substantially all property, plant and equipment of the Hospital. The Master Trust Indenture also placed certain limits on the incurrence of additional borrowings of the Obligated Group and required the Obligated Group to satisfy certain measures of financial performance while the revenue bonds were outstanding. The Series A and C bonds were insured by commercial bond insurers to maturity.

In November 2010, the Hospital obtained a $6.6 million term loan from CHEFA. The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to the Hospital's infrastructure. The loan is to be paid in monthly installments over 10 years at a fixed interest rate of 3.22%.

7. Debt (continued)

In May 2012, the Hospital's Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36.4 million, with coupons ranging from 2.0% to 5.0%, and a final maturity of July 2025. The proceeds, including a premium of approximately $4.1 million, were held in an escrow account and used for the retirement of the outstanding Series A and C revenue bonds and to pay for certain bond issuance costs of approximately $0.8 million. The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying statement of operations and changes in net assets. In connection with the refunding and refinancing, the Hospital recognized a loss in 2012 of approximately $1.8 million principally related to the write-off of deferred financing costs.

In June 2012, the Hospital obtained a $5.5 million term loan from CHEFA. The loan is to be paid in monthly installments over 5 years at a fixed rate of 1.66% with the proceeds to be used for medical and cafeteria equipment. The loan is secured by the equipment purchased with the proceeds of the loan.

Scheduled principal payments on all debt are as follows (in thousands):

	Debt	Capital Lease Obligations
2013	$ 3,736	$ 80
2014	3,949	47
2015	4,078	47
2016	4,167	8
2017	4,035	–
Thereafter	27,228	–
	$ 47,193	182
Less: interest		(14)
Total capital lease obligation		$ 168

Cash paid for interest for the years ended September 30, 2012 and 2011 approximated $2.7 million and $3.1 million, respectively.

7. Debt (continued)

In connection with the Series D bonds, the Hospital is required to maintain certain financial covenants. At September 30, 2012 and 2011 the Hospital was in compliance with its financial debt covenants.

Assets recorded under the capital lease obligations totaled $0.2 million and $0.3 million as of September 30, 2012 and 2011, respectively. Accumulated depreciation for the capital lease obligations totaled $0.1 million for September 30, 2012 and 2011, respectively.

8. Retirement Benefit Plans

The Hospital and certain other affiliates of BHHS have a defined benefit pension plan covering substantially all employees. The benefits are based on years of service and employees' average compensation as defined by the plan documents. The Hospital and affiliates of BHHS make contributions in amounts sufficient to meet the required benefits to be paid to plan participants as they become due as required under the Employee Retirement Income Security Act of 1974.

On June 30, 2006, the Hospital and certain other affiliates of BHHS froze their defined benefit plan. On October 1, 2006 the Hospital and certain other affiliates of BHHS instituted a defined contribution plan covering substantially all employees. The Hospital matches employee 403(b) contributions on a bi-weekly basis, as defined by the defined contribution plan documents, and provides an annual contribution to the employees' accounts based on each employee's year of service and compensation. The Hospital expensed approximately $9.6 million and $10.1 million relating to the defined contribution plan for the years ended September 30, 2012 and 2011, respectively. Amounts due to the defined contribution plan amounted to $4.8 million and $5.8 million at September 30, 2012 and 2011, respectively, and are included in accrued expenses.

8. Retirement Benefit Plans (continued)

The following table sets forth the funded status of the Hospital and affiliates of BHHS's plans as of September 30:

	Pension Benefits	
	2012	2011
	(In Thousands)	
Change in benefit obligation		
Benefit obligation, beginning of year	**$ (166,112)**	$ (159,195)
Interest cost	**(8,464)**	(8,423)
Actuarial loss	**(30,864)**	(4,026)
Benefits paid	**5,914**	5,532
Benefit obligation, end of year	**$ (199,526)**	$ (166,112)
Change in plan assets		
Fair value of plan assets, beginning of year	**$ 107,905**	$ 103,733
Actual return on plan assets	**14,665**	(2,276)
Employer contribution	**15,829**	11,979
Benefits paid	**(5,914)**	(5,532)
Fair value of plan assets, end of year	**$ 132,485**	$ 107,904
Accrued obligation	**$ (67,041)**	$ (58,208)
Net amounts allocated to Parent	**6,225**	6,225
Accrued pension obligation	**$ (60,816)**	$ (51,983)

The accrued benefit obligation allocated to Parent is determined using the participant data at the time the Plan was frozen.

The actuarial loss in 2012 and 2011 primarily relates to a decrease in the discount rate used to measure the benefit obligation.

8. Retirement Benefit Plans (continued)

Accumulated Benefit Obligation

The projected benefit obligation, accumulated benefit obligations and fair value of plan assets were as follows for September 30:

	2012	2011
	(In Thousands)	
Projected benefit obligation	**$ 199,526**	$ 166,112
Accumulated benefit obligation	**199,526**	166,112
Fair value of plan assets	**132,485**	107,904

The following table provides the components of the net periodic benefit cost for the plan for the years ended September 30:

	Pension Benefits	
	2012	2011
	(In Thousands)	
Components of net periodic benefit cost		
Interest cost	**$ 8,464**	$ 8,423
Expected rate of return on plan assets	**(9,269)**	(8,761)
Recognized net actuarial loss	**1,365**	896
Net periodic benefit cost	**$ 560**	$ 558

Assumptions

Weighted-average assumptions used to determine benefit obligations at September 30 are as follows:

	Pension Benefits	
	2012	2011
Discount rate	**4.0%**	5.2%

8. Retirement Benefit Plans (continued)

Weighted-average assumptions used to determine net periodic benefit cost for years ended September 30 are as follows:

	Pension Benefits	
	2012	2011
Discount rate	5.2%	5.4%
Expected long-term return on plan assets	6.75	6.75

Measurement Date

The measurement date used to determine pension benefits is September 30 in 2012 and 2011.

Plan Assets

The asset allocations of the Hospital's pension plan at September 30 are as follows:

	Target Allocation	Percentage of Plan Assets	
	2013	2012	2011
Asset category:			
Equity securities	25%	22%	14%
Debt securities	55	61	73
Alternative investments	20	17	13
Total	100%	100%	100%

The pension assets carried at fair value as of September 30, 2012 and 2011 are classified in the following tables in one of the three categories described in footnote 15 (in thousands):

	Level 1	Level 2	Level 3	Total
Money market funds	$ 4,558	$ –	$ –	$ 4,558
U.S. equity securities	27,271	–	–	27,271
International equity securities	–	–	7,471	7,471
Fixed income:				
U.S. government	33,999	4,146	–	38,145
Corporate debt	216	37,047	–	37,263
International government	324	–	–	324
Private equity	–	–	17,453	17,453
Total investments as of September 30, 2012	$ 66,368	$ 41,193	$ 24,924	$ 132,485

8. Retirement Benefit Plans (continued)

	Level 1	Level 2	Level 3	Total
Money market funds	$ 3,812	$ –	$ –	$ 3,812
U.S. equity securities	14,623	–	–	14,623
International equity securities	–	–	5,312	5,312
Fixed income:				
U.S. government	31,939	7,719	–	39,658
Corporate debt	170	34,429	–	34,599
International government	360	–	–	360
Private equity	–	–	9,540	9,540
Total investments as of September 30, 2011	$ 50,904	$ 42,148	$ 14,852	$ 107,904

The composition and presentation of financial assets categorized as Level 3 investments in the tables above for the fiscal year ended September 30, 2012 and 2011 are as follows (in thousands):

	Private Equity	International Equity	Total
Beginning balance as of October 1, 2011	$ 9,540	$ 5,312	$ 14,852
Realized gains	2,930	–	2,930
Unrealized gains (losses)	(13)	1,357	1,344
Purchases, sales, issuance, settlements, transfers, other	4,996	802	5,798
Ending balance as of September 30, 2012	$ 17,453	$ 7,471	$ 24,924

	Private Equity	International Equity	Hedge Funds	Total
Beginning balance as of October 1, 2010	$ 9,330	$ –	$ 2,993	$ 12,323
Realized gains	–	–	–	–
Unrealized gains (losses)	65	(688)	(93)	(716)
Purchases, sales, issuance, settlements, transfers, other	145	6,000	(2,900)	3,245
Ending balance as of September 30, 2011	$ 9,540	$ 5,312	$ –	$ 14,852

The Hospital's investment strategy for its pension assets, balances the liquidity needs of the pension plan with the long-term return goals necessary to satisfy future pension obligations. The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation. The allocations of the investment pool to various sectors of the markets are designed to reduce volatility in the portfolio.

8. Retirement Benefit Plans (continued)

The Hospital's pension portfolio return assumption of 6.75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses.

Cash Flows

Contributions: The Hospital and its affiliates expected contribution to the defined benefit pension plan in fiscal year 2013 is approximately $6.5 million.

Estimated future benefit payments: The Hospital and its affiliates expect to pay the following benefit payments as appropriate in thousands:

2013	$ 7,015
2014	7,309
2015	7,551
2016	7,959
2017	8,445
2018 to 2023	51,725

In addition, certain employees participate in a Hospital sponsored nonqualified pension benefit program. Included in other long-term liabilities in the accompanying balance sheets at September 30, 2012 and 2011 is approximately $0.5 million and $1.2 million, respectively, related to the obligation for the nonqualified benefits. The Hospital has established a trust with fair values of approximately $0.5 million and $1.1 million at September 30, 2012 and 2011, respectively, to fund the obligation. Such amounts are included in other assets in the accompanying balance sheets.

9. Professional Liability and Self-Insurance Arrangements

Yale-New Haven Hospital ("YNHH") and a number of academic medical centers are shareholders in The Medical Center Insurance Company, Ltd. (the "Captive"). The Captive was formed to insure for professional and comprehensive general liability risks of its shareholders and certain affiliated entities of the shareholders. On October 1, 1997, the Hospital was added to the YNHH program as an additional insured. The Captive and its wholly-owned subsidiary write direct insurance and reinsurance for varying levels of per claim limit exposure. The Captive has reinsurance coverage from outside reinsurers for amounts above the per claim limits. Premiums are based on modified claims made coverage and are actuarially determined based on actual experience of the Hospital, and the Captive. The Hospital pays insurance premiums to YNHHSC.

9. Professional Liability and Self-Insurance Arrangements (continued)

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $54.7 million and $55.6 million at September 30, 2012 and 2011, respectively. The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $13.9 million and $15.5 million at September 30, 2012 and 2011, respectively, and is included in professional insurance liabilities in the accompanying consolidated statements of financial position at the actuarially determined present value of approximately $12.1 million and $13.3 million, respectively, based on a discount rate of 3.0% and 3.5% for the years ended September 30, 2012 and 2011, respectively.

The Hospital has recorded related insurance recoveries receivable of approximately $42.5 million and $42.4 million at September 30, 2012 and 2011, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance. The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months.

The Hospital's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the Hospital and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated.

10. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. Such lawsuits and claims are either specifically covered by insurance as explained in Note 9 or are deemed to be immaterial. While the outcome of these lawsuits cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the financial position or results of operations of the Hospital.

10. Commitments and Contingencies (continued)

The Hospital has an irrevocable letter of credit with a bank to provide coverage to the State of Connecticut for workers compensation claims. There were no amounts outstanding under this letter of credit during fiscal years 2012 and 2011.

The Hospital has obtained a surety bond to provide coverage to the State of Connecticut for unemployment compensation in 2012 and 2011. There are no amounts outstanding during fiscal years 2012 and 2011.

The Hospital has various lease agreements. Lease expense for the fiscal years 2012 and 2011 was approximately $2.9 million and $3.1 million, respectively. Future minimum payments under these leases are as follows:

2013	$ 2,837
2014	2,590
2015	1,628
2016	1,558
2017	1,013
Thereafter	9,098
	$ 18,724

Proposed Acquisition

The Hospital entered into an agreement on August 12, 2012 to acquire certain assets and assume certain liabilities of a Connecticut radiology practice for approximately $16 million. A regulatory review by the Connecticut Office of Health Care Access is currently in progress. Upon completion of the regulatory review of the transaction will be completed.

11. Functional Expenses

The Hospital provides general health care services to residents within its geographic location, including pediatric care, cardiac catheterization and outpatient surgery. Net expenses related to providing these services for the year ended September 30 are as follows:

	2012	2011
	(In Thousands)	
Health care services	$ 315,110	$ 297,515
General and administrative	88,877	85,763
	$ 403,987	$ 383,278

12. Related Party Transactions

The Hospital provides management services and purchases support and management services and participates in service contracts, lease agreements and other consulting contracts with affiliated organizations. The related amounts for the years ended September 30 were as follows:

	2012	2011
	(In Thousands)	
Services to affiliates:		
Northeast Medical Group	$ 229	$ 529
Southern Connecticut Health System Properties	15	15
BHHS	10	10
Yale-New Haven Hospital	4,833	–
	$ 5,087	$ 554
Services from affiliates:		
Yale-New Haven Hospital	$ 3,226	$ 3,193
BHHS	20	20
Southern Connecticut Health System Properties	5	136
Northeast Medical Group	19,890	14,277
YNHHSC	42,995	28,729
	$ 66,136	$ 46,355

12. Related Party Transactions (continued)

The Hospital purchased certain services for the year ended September 30 from YNHHSC as follows:

	2012	2011
	(In Thousands)	
Operating expenses:		
Professional and general liability insurance	$ 2,182	$ 5,830
Information systems	15,798	3,466
System business office	7,050	6,357
Other business services	20,147	18,906
	$ 45,177	$ 34,559

The Hospital funds certain capital assets purchased by YNHHSC. Included in prepaid expenses and other assets were approximately $18.8 million at September 30, 2012 and approximately $9.2 million at September 30, 2011.

Included in depreciation and amortization expense for the years ended September 30, 2012 and 2011 is approximately $1.0 million and $0.3 million, respectively, of costs allocated from YNHHSC for shared capital projects.

Accounts receivable from and payable to related organizations included in prepaid expenses and other assets, and accrued expenses, respectively, in the accompanying balance sheets for the years ended September 30 are as follows:

	2012	2011
	(In Thousands)	
Accounts receivable:		
Southern Connecticut Health System Properties	$ 55	$ 23
Bridgeport Hospital Foundation	769	353
Yale-New Haven Hospital	1,501	–
Northeast Medical Group	–	2,780
	$ 2,325	$ 3,156
Accounts payable:		
BHHS	$ 2,763	$ 6,168
YNHHSC	14,485	10,004
Northeast Medical Group	2,430	–
Yale-New Haven Hospital	–	362
	$ 19,678	$ 16,534

13. Other Revenue

Other revenue consisted of the following (in thousands):

	Year Ended September 30	
	2012	2011
Cafeteria and vending	$ 1,793	$ 1,637
Parking income	1,409	1,436
Net assets released from restrictions for operations	2,316	1,831
Pediatric ancillary services	5,901	–
Electronic health records incentive payment	1,725	–
Other	2,931	2,803
	$ 16,075	$ 7,707

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act ("HITECH"). The provisions were designed to increase the use of electronic health record ("EHR") technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology. In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments. Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015.

The Hospital uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments. Under this accounting policy, EHR incentive payment revenue is recognized when the Hospital is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received. EHR incentive payment revenue for Medicaid totaling $1.7 million for the year ended September 30, 2012, is included in other revenue in the accompanying 2012 consolidated statement of operations. Income from incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated. Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government.

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands)

	Year Ended September 30	
	2012	2011
Net realized gains and investment income	$ 790	$ 657
Change in unrealized gains and losses on investments	1,335	(417)
Net changes in interest in Bridgeport Hospital Foundation, Inc.	1,838	(278)
Loss on refunding and refinancing of debt	(1,799)	–
	$ 2,164	$ (38)

15. Fair Value Measurements

In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Hospital also considers nonperformance risk in the overall assessment of fair value.

ASC 820-10, *Fair Value Measurements*, establishes a three tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

- **Level 1:** Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.
- **Level 2:** Observable inputs that are based on data not quoted in active markets, but corroborated by market data.
- **Level 3:** Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

15. Fair Value Measurements (continued)

Financial assets carried at fair value as of September 30, 2012 and 2011 are classified in the following tables in two of the three categories described above (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 15,511	$ –	$ –	$ 15,511
Money market funds	5,458	–	–	5,458
Mutual Funds	145	–	–	145
U.S. equity securities	3,872	–	–	3,872
International equity securities	2,702	–	–	2,702
Fixed income				
U.S. government	10,623	–	–	10,623
Corporate debt	285	–	–	285
International government	2,344	1,616	–	3,960
Interest in Yale University endowment pool	–	–	24,439	24,439
Investments at fair value	$ 40,940	$ 1,616	$ 24,439	66,995
Common collective trusts				9,325
Alternative investments				4,296
Investments not at fair value				13,621
Total investments as of September 30, 2012				$ 80,616

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 37,123	$ –	$ –	$ 37,123
Money market funds	1,527	–	–	1,527
U.S. equity securities	1,868	–	–	1,868
International equity securities	1,606	–	–	1,606
Fixed income				
U.S. government	13,825	–	–	13,825
Corporate debt	10,460	–	–	10,460
International government	1,224	–	–	1,224
Interest in Yale University endowment pool	–	–	11,933	11,933
Investments at fair value	$ 67,633	$ –	$ 11,933	79,566
Common collective trusts				3,532
Alternative investments				2,569
Investments not at fair value				6,101
Total investments as of September 30, 2011				$ 85,667

15. Fair Value Measurements (continued)

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy:

Interest in Yale University Endowment Pool:	
Fair value at September 30, 2010	$ 7,567
2011 Unrealized gains	613
2011 Purchases	3,753
Fair value at September 30, 2011	11,933
2012 Unrealized gains	**9,514**
2012 Purchases	**2,992**
Fair value at September 30, 2012	**$ 24,439**

Fair values of the Hospital's debt are based on current borrowing rates for similar types of debt using undiscounted cash flow analyses. The fair value of the long-term debt at September 30, 2012 and 2011 is $48.0 million and $59.2 million.

The Hospital's alternative investments and common collective trusts are reported using the equity method of accounting (see Note 1).

16. Subsequent Events

Subsequent events have been evaluated through December 21, 2012, which is the date the financial statements were available to be issued. No events have occurred that require disclosure or adjustment of the financial statements.

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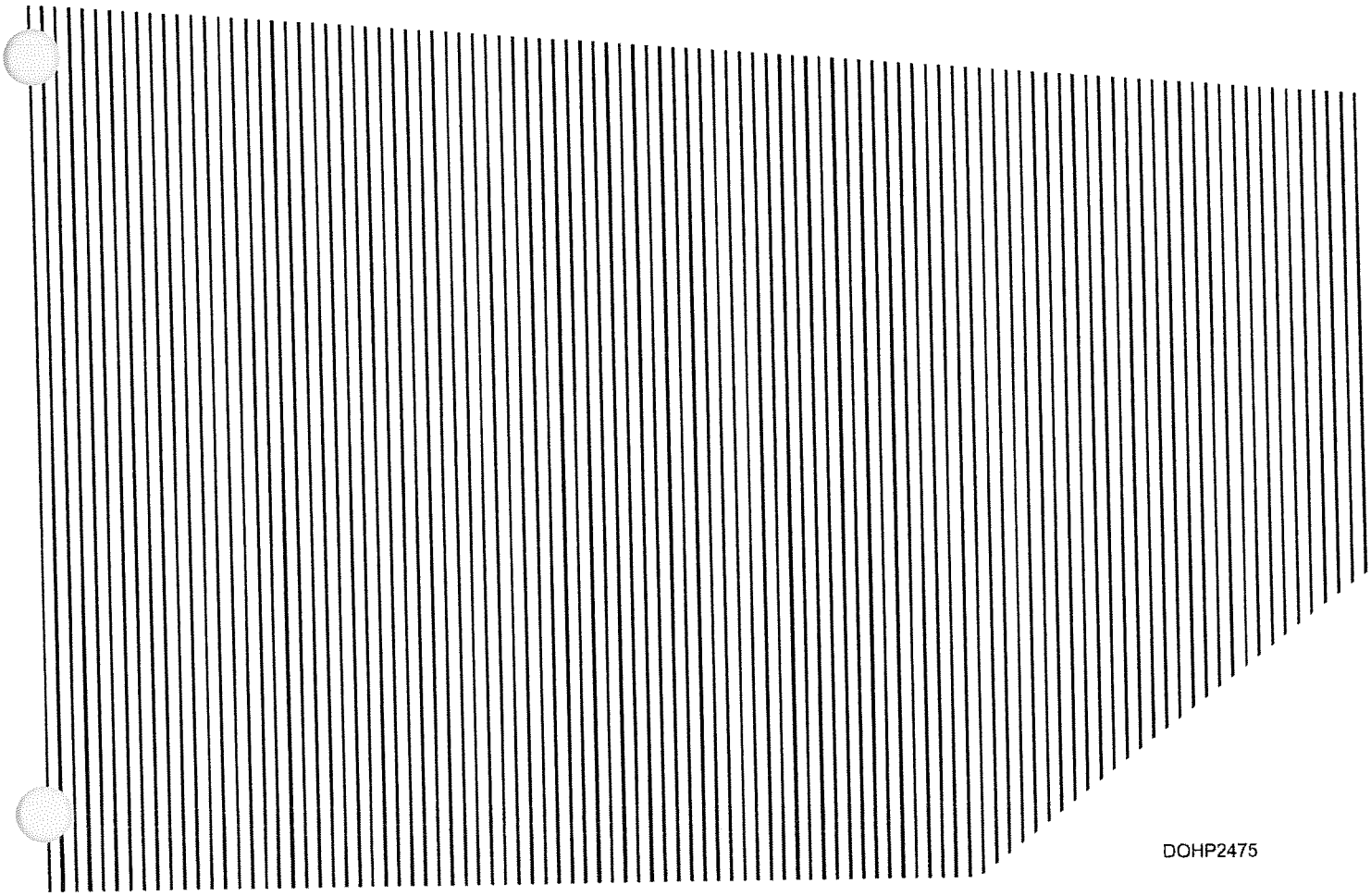

Greenwich Hospital

** PUBLIC DISCLOSURE COPY **

Form 990 Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990

Department of the Treasury Internal Revenue Service

OMB No. 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning OCT 1, 2013 and ending SEP 30, 2014

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: GREENWICH HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 5 PERRYRIDGE ROAD

Room/suite:

City or town, state or province, country, and ZIP or foreign postal code: GREENWICH, CT 06830

F Name and address of principal officer: NORMAN ROTH
5 PERRYRIDGE ROAD, GREENWICH, CT 06830

D Employer identification number: 06-0646659

E Telephone number: 203-863-3000

G Gross receipts $: 361,321,482.

H(a) Is this a group return for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.GREENWICHHOSPITAL.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1903

M State of legal domicile: CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities: TO PROVIDE HEALTHCARE SERVICES.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	24
4	Number of independent voting members of the governing body (Part VI, line 1b)	18
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	1978
6	Total number of volunteers (estimate if necessary)	747
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7,720,710.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	6,842,026.	10,299,278.
9	Program service revenue (Part VIII, line 2g)	312,982,082.	332,206,599.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,171,384.	1,835,603.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	14,917,234.	15,135,410.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	335,912,726.	359,476,890.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	286,100.	445,476.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	158,795,609.	155,513,957.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 3,381,701.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	155,653,141.	167,819,110.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	314,734,850.	323,778,543.
19	Revenue less expenses. Subtract line 18 from line 12	21,177,876.	35,698,347.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	459,079,549.	489,110,692.
21	Total liabilities (Part X, line 26)	137,266,896.	147,264,308.
22	Net assets or fund balances. Subtract line 21 from line 20	321,812,653.	341,846,384.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ EUGENE COLUCCI, SR VP
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: Christopher B. Boggs | Preparer's signature: Christopher B. Boggs | Date: 8-17-15 | Check ☐ self-employed | PTIN: P00032493

Firm's name ▶ ERNST & YOUNG U.S., LLP | Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE, SUITE 4000
INDIANAPOLIS, IN 46204 | Phone no. 317-681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III X

1 Briefly describe the organization's mission:
TO PROVIDE HEALTHCARE SERVICES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ..... ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ..... ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 226,057,512. including grants of $ 445,476.) (Revenue $ 338,976,311.)
SEE SCHEDULE O

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services (Describe in Schedule O.)
(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e Total program service expenses ▶ 226,057,512.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	X	
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	283		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1978		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," to line 3b, provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	24		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X	
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	X	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request ☐ Other *(explain in Schedule O)*

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

KEITH TANDLER - 203-688-9642
789 HOWARD AVENUE, NEW HAVEN, CT 06519

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) PAUL APOSTOLIDES	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(2) WILLIAM BERKLEY	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(3) RICHARD BRAUER	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(4) ALAN BREED	1.00									
DIRECTOR	2.00	X						0.	0.	0.
(5) NANCY BROWN	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(6) GAYLE CAPOZZALO	4.00									
DIRECTOR	36.00	X						130,774.	1,176,959.	189,700.
(7) KEVIN CONBOY	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(8) FRANK CORVINO	26.00									
PRES. & CEO	14.00	X		X				820,259.	441,678.	158,791.
(9) PETER DAPUZZO	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(10) DAVID EVANS	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(11) ELIZABETH GALT	1.00									
SECRETARY	1.00	X		X				0.	0.	0.
(12) ANNE JUGE	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(13) ROBIN KANAREK	1.00									
DIRECTOR (APPOINTED 10/2013)	1.00	X						0.	0.	0.
(14) DONALD KIRK	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(15) ARTHUR MARTINEZ	1.00									
DIRECTOR	1.00	X						0.	0.	0.
(16) BARBARA MILLER	1.00									
VICE CHAIR	3.00	X		X				0.	0.	0.
(17) AMY MINELLA	1.00									
DIRECTOR	1.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) JACK MITCHELL DIRECTOR	1.00 1.00	X						0.	0.	0.
(19) DANIEL MOSLEY CHAIRMAN	1.00 4.00	X		X				0.	0.	0.
(20) VENITA OSTERER DIRECTOR	1.00 1.00	X						0.	0.	0.
(21) JOHN SCHMELTZER, III DIRECTOR	1.00 1.00	X						0.	0.	0.
(22) JOHN TOWNSEND, III TREASURER/VICE CHAIR	1.00 2.00	X		X				0.	0.	0.
(23) BRUCE WARWICK DIRECTOR	1.00 1.00	X						0.	0.	0.
(24) TOM WHITE DIRECTOR (TERM ENDED 9/2014)	1.00 1.00	X						0.	0.	0.
(25) CHRISTINE BEECHNER VP	39.00 1.00			X				157,817.	0.	35,076.
(26) SUSAN BROWN SENIOR VP	39.00 1.00			X				347,915.	0.	61,843.
1b Sub-total								1,456,765.	1,618,637.	445,410.
c Total from continuation sheets to Part VII, Section A								5,728,069.	498,205.	1,052,044.
d Total (add lines 1b and 1c)								7,184,834.	2,116,842.	1,497,454.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 254

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
GREENWICH ULTRASOUND ASSOC. 67 HOLLY HILL RD, GREENWICH, CT 06830	ULTRASOUND SERVICE	2,671,655.
QUEST DIAGNOSTICS 3 GIRALDA FARMS, MADISON, NJ 07940	DIAGNOSTIC TESTING	1,375,423.
NURSEFINDERS, INC, 524 EAST LAMAR BLVD, STE 300, ARLINGTON, TX 76011	TRAVELING NURSES	1,342,463.
UNITEX TEXTILE RENTAL, 161 SOUTH MACQESTEN PARKWAY, MOUNT VERNON, NY 10550	UNIFORM LAUNDERING	1,184,399.
EXECUTIVE HEALTH RESOURCES, 15 CAMPUS BOULEVARD, NEWTOWN SQUARE, PA 19073	MEDICAL COMPLIANCE	595,833.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 46

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) EUGENE COLUCCI	18.00									
SENIOR VP	22.00			X				262,692.	321,066.	192,153.
(28) BRIAN DORAN	37.00									
SENIOR VP	3.00			X				538,211.	0.	217,631.
(29) DEBORAH HODYS	39.00									
VP	1.00			X				399,154.	0.	41,147.
(30) MARC KOSAK	39.00									
VP	1.00			X				263,194.	0.	41,628.
(31) NANCY LEVITT ROSENTHAL	1.00									
SENIOR VP	39.00			X				412,497.	0.	136,869.
(32) SPIKE LIPSCHUTZ	39.00									
VP	1.00			X				497,530.	0.	49,089.
(33) MELISSA TURNER	20.00									
SENIOR VP	20.00			X				177,139.	177,139.	123,712.
(34) VICKI ALTMEYER	40.00									
DIRECTOR OF PATHOLOGY	0.00					X		570,632.	0.	56,610.
(35) DOROTHY BLACKMUN	40.00									
PATHOLOGIST	0.00					X		453,271.	0.	32,445.
(36) ERIC DIAMOND	40.00									
PATHOLOGIST	0.00					X		489,645.	0.	77,821.
(37) RICHARD EISEN	40.00									
DIRECTOR OF PATHOLOGY	0.00					X		526,474.	0.	53,228.
(38) CYNTHIA KUCHER	40.00									
PATHOLOGIST	0.00					X		376,948.	0.	21,105.
(39) QUINTON FRIESEN	0.00									
FORMER OFFICER 9/2012	0.00						X	659,893.	0.	0.
(40) GEORGE PAWLUSH	0.00									
FORMER OFFICER 2/2013	0.00						X	100,789.	0.	8,606.
Total to Part VII, Section A, line 1c								5,728,069.	498,205	1,052,044.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	1,128,438.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	185,000.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	8,985,840.				
	g Noncash contributions included in lines 1a-1f: $ 302,996.						
	h Total. Add lines 1a-1f			10,299,278.			
Program Service Revenue		Business Code					
	2 a OUTPATIENT PROGRAM SERVICES	621400		186,082,851.	186,082,851.		
	b INPATIENT PROGRAM SERVICES	612990		138,403,038.	138,403,038.		
	c OUTREACH LAB	621500		7,720,710.		7,720,710.	
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			332,206,599.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			396,487.			396,487.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6 a Gross rents	1,200,832.					
	b Less: rental expenses	94,105.					
	c Rental income or (loss)	1,106,727.					
	d Net rental income or (loss)			1,106,727.			1,106,727.
		(i) Securities	(ii) Other				
	7 a Gross amount from sales of assets other than inventory	2,575,039.	13,500.				
	b Less: cost or other basis and sales expenses	1,149,423.	0.				
	c Gain or (loss)	1,425,616.	13,500.				
	d Net gain or (loss)			1,439,116.			1,439,116.
	8 a Gross income from fundraising events (not including $ 1,128,438. of contributions reported on line 1c). See Part IV, line 18	a	139,325.				
	b Less: direct expenses	b	601,064.				
	c Net income or (loss) from fundraising events			-461,739.			-461,739.
	9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
	10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
	Miscellaneous Revenue	Business Code					
	11 a PATHOLOGY SERVICES	900099		2,989,979.	2,989,979.		
	b IVF SERVICE INCOME	900099		1,294,835.	1,294,835.		
	c CLINIC SERVICES	900099		1,113,592.	1,113,592.		
	d All other revenue	900099		9,092,016.	9,092,016.		
	e Total. Add lines 11a-11d			14,490,422.			
	12 Total revenue. See instructions.			359,476,890.	338,976,311.	7,720,710.	2,480,591.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX X

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	445,476.	445,476.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,207,709.		5,207,709.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	113,215,361.	94,530,649.	17,102,235.	1,582,477.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	8,412,226.	7,261,183.	1,029,488.	121,555.
9 Other employee benefits	21,089,608.	17,751,684.	3,040,754.	297,170.
10 Payroll taxes	7,589,053.	6,336,579.	1,146,397.	106,077.
11 Fees for services (non-employees):				
a Management	2,397,612.	175,248.	2,222,364.	
b Legal	471,815.		399,021.	72,794.
c Accounting	226,469.		226,469.	
d Lobbying	106,619.	106,619.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	60,381,332.	21,630,869.	38,619,928.	130,535.
12 Advertising and promotion				
13 Office expenses	8,826,719.	6,298,324.	1,721,259.	807,136.
14 Information technology	10,711,703.	3,401,379.	7,310,324.	
15 Royalties				
16 Occupancy	17,340,284.	10,063,420.	7,012,907.	263,957.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	484,324.	239,512.	244,812.	
20 Interest	366,784.	343,385.	23,399.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	18,344,799.	10,348,843.	7,995,956.	
23 Insurance	540,832.		540,832.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLY EXPENSE	25,772,546.	25,772,546.	0.	0.
b PHARMECEUTICAL SUPPLIES	20,851,901.	20,810,272.	41,629.	0.
c MEMBERSHIP DUES & FEES	930,746.	487,185.	443,561.	0.
d EDUCATION & OTHER EMPL	64,625.	54,339.	10,286.	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	323,778,543.	226,057,512.	94,339,330.	3,381,701.
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	25,629,508.	1	40,011,451.
	2	Savings and temporary cash investments	36,303,212.	2	36,350,555.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	34,798,934.	4	37,984,141.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	1,726,222.	8	2,126,798.
	9	Prepaid expenses and deferred charges	8,573,084.	9	7,645,355.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 436,220,382.			
	b	Less: accumulated depreciation — 10b: 212,997,463.	228,143,449.	10c	223,222,919.
	11	Investments - publicly traded securities	20,807,246.	11	16,241,456.
	12	Investments - other securities. See Part IV, line 11	74,450,940.	12	76,034,299.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	28,646,954.	15	49,493,718.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	459,079,549.	16	489,110,692.
Liabilities	17	Accounts payable and accrued expenses	28,569,982.	17	32,649,839.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	40,215,000.	20	37,710,000.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	68,481,914.	25	76,904,469.
	26	**Total liabilities.** Add lines 17 through 25	137,266,896.	26	147,264,308.
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	276,412,173.	27	287,992,251.
	28	Temporarily restricted net assets	36,543,332.	28	44,115,410.
	29	Permanently restricted net assets	8,857,148.	29	9,738,723.
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	321,812,653.	33	341,846,384.
	34	Total liabilities and net assets/fund balances	459,079,549.	34	489,110,692.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	359,476,890.
2	Total expenses (must equal Part IX, column (A), line 25)	2	323,778,543.
3	Revenue less expenses. Subtract line 2 from line 1	3	35,698,347.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	321,812,653.
5	Net unrealized gains (losses) on investments	5	2,451,000.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-18,115,616.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	341,846,384.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII .....

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	2a		X
b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of monetary support
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 15 %

16a **33 1/3% support test - 2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2012** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests - 2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

** PUBLIC DISCLOSURE COPY **

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990 .

OMB No. 1545-0047

2013

Name of the organization

GREENWICH HOSPITAL

Employer identification number

06-0646659

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year ..... ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
GREENWICH HOSPITAL	06-0646659

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 39,083.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
2		$ 8,350.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
3		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
4		$ 10,000.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
5		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
6		$ 7,500.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
GREENWICH HOSPITAL	06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7		$ 11,500.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
8		$ 21,500.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
9		$ 43,175.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
10		$ 6,469.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
11		$ 25,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
12		$ 14,400.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13		$ 96,186.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
14		$ 8,395.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
15		$ 7,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
16		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
17		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
18		$ 8,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
20		$ 27,400.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
21		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
22		$ 44,640.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
23		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
24		$ 7,091.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
25		$ 5,450.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
26		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
27		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
28		$ 152,710.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
29		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
30		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
GREENWICH HOSPITAL	06-0646659

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
31		$ 150,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
32		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
33		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
34		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
35		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
36		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
37		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
38		$ 182,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
39		$ 174,600.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
40		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
41		$ 39,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
42		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
43		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
44		$ 18,000.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
45		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
46		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
47		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
48		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
49		$ 15,500.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
50		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
51		$ 12,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
52		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
53		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
54		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
55		$ 8,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
56		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
57		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
58		$ 15,300.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
59		$ 82,950.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
60		$ 10,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
61		$ 13,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
62		$ 6,510.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
63		$ 13,050.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
64		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
65		$ 15,250.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
66		$ 53,050.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
67		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
68		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
69		$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
70		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
71		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
72		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
73		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
74		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
75		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
76		$ 9,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
77		$ 11,880.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
78		$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
79		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
80		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
81		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
82		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
83		$ 13,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
84		$ 8,650.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
85		$ 67,450.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
86		$ 37,159.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
87		$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
88		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
89		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
90		$ 108,333.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
91		$ 7,300.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
92		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
93		$ 5,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
94		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
95		$ 12,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
96		$ 7,535.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
GREENWICH HOSPITAL	06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
97		$ 8,870.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
98		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
99		$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
100		$ 30,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
101		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
102		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
103		$ 41,650.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
104		$ 8,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
105		$ 18,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
106		$ 22,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
107		$ 8,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
108		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
109		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
110		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
111		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
112		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
113		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
114		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
115		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
116		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
117		$ 5,010.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
118		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
119		$ 6,800.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
120		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
121		$ 25,675.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
122		$ 6,125.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
123		$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
124		$ 10,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
125		$ 15,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
126		$ 5,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
127		$ 9,650.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
128		$ 35,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
129		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
130		$ 14,650.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
131		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
132		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
133		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
134		$ 5,113.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
135		$ 10,020.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
136		$ 26,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
137		$ 226,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
138		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
139		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
140		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
141		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
142		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
143		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
144		$ 27,456.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
145		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
146		$ 51,127.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
147		$ 10,047.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
148		$ 10,325.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
149		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
150		$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
151		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
152		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
153		$ 22,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
154		$ 8,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
155		$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
156		$ 9,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
157		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
158		$ 75,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
159		$ 14,250.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
160		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
161		$ 38,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
162		$ 12,400.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
163		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
164		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
165		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
166		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
167		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
168		$ 69,930.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
169		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
170		$ 500,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
171		$ 10,375.	Person [X] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
172		$ 10,000.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
173		$ 6,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
174		$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
175		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
176		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
177		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
178		$ 5,695.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II for noncash contributions.)
179		$ 60,800.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
180		$ 70,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
181		$ 600,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
182		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
183		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
184		$ 40,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
185		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
186		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
187		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
188		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
189		$ 11,375.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
190		$ 30,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
191		$ 8,764.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
192		$ 8,650.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
193		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
194		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
195		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
196		$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
197		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
198		$ 19,590.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
199		$ 42,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
200		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
201		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
202		$ 60,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
203		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
204		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
205		$ 1,000,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
206		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
207		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
208		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
209		$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
210		$ 35,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
211		$ 12,875.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
212		$ 5,959.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
213		$ 10,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
214		$ 22,599.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
215		$ 162,880.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	I-PAD MINI	$ 300.	02/24/14
4	CANTINA DINNER AT BABBO	$ 10,000.	03/07/14
6	2- PORTRAIT SESSIONS; 1 - PRINT	$ 7,500.	07/11/14
7	18K AND YELLOW GOLD, CHAMPAGNE QUARTZ, TSAVORITE GARNET AND SOUTH SEA PEARL 40" VERDURA NECKLACE WITH DIAMOND ACCENTS	$ 11,500.	11/05/13
8	PHOTOSHOOT, GIFT CERTIFICATES AND CANVAS PRINTS	$ 21,500.	07/11/14
12	3 - ONE WEEK RIVIERA MAYA VACATION	$ 14,400.	03/07/14

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
14	ALTO ORIANA HANDBAG	$ 595.	07/11/14
20	SEE STATEMENT 1	$ 27,400.	07/11/14
44	3 - GIFT CERTIFICATE FOR A MASTERPIECE PORTRAIT ON CANVAS	$ 18,000.	07/11/14
49	DINNER FOR 4 AT COLUMBUS CITIZENS FOUNDATION	$ 500.	11/05/13
65	1996 CHATEAU HAUT-BRION PESSAC-LEOGNAN (2 BOTTLES)	$ 1,000.	11/05/13
66	ROUND OF GOLF FOR 4 AT HUDSON NATIONAL; 1 WEEK STAY IN NANTUCKET	$ 10,400.	11/05/13

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
77	GIFT CERTIFICATE TO 5 NAPKIN BURGER; LIVANOS RESTAURANT GROUP; A NIGHT AT THE MUSEUM - AMERICAN MUSEUM OF NATURAL HISTORY	$ 1,080.	11/05/13
85	1989 CHATEAU MONTROSE	$ 350.	11/05/13
86	KNAPPOGUE CASTLE 1951; 200SHS JOHNSON & JOHNSON; 39 SHS CHEVRON	$ 25,784.	06/16/14
121	500SHS JOHNSON CONTROLS INC	$ 25,675.	12/17/13
144	350SHS ADOBE	$ 25,456.	06/24/14
146	307SHS UNION PACIFIC LDRSP	$ 49,427.	12/12/13

Name of organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
168	DINNER FOR 4 AT COLUMBUS CITIZENS FOUNDATION; 4 BOTTLES OF WINE; GOLF AT BURNING TREE COUNTRY CLUB; DINNER COLUMBUS CITIZENS FOUNDATION	$ 4,490.	03/07/14
171	3 TICKETS TO THE NEW YORK KNICKS V. MEMPHIS GRIZZLIES ON DECEMBER 21, 2013	$ 375.	11/05/13
172	NANCY GONZALEZ TOTE, SHOPPING SPREE FOR $5,000 PLUS HIS AND HERS CLOSET CLEAN	$ 10,000.	11/05/13
178	DOLCE & GABBANA CHAMPAGNE BRUNCH; GIRLS DAY OUT; CLOTHING; MAKEOVERS	$ 5,695.	03/07/14
		$	
		$	

Name of organization

GREENWICH HOSPITAL

Employer identification number

06-0646659

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE B STATEMENT 1

5 TRIP PACKAGES TO THE FOLLOWING RESORTS: THE VERANDAH RESORT AND SPA-ANTIGUA, ST. JAMES'S CLUB & VILLAS-ANTIGUA, ST. JAMES'S CLUB MORGAN BAY-SAINT LUCIA, THE CLUB, BARBADOS RESORT & SPA AND LOS ESTABLOS-PANAMA

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
GREENWICH HOSPITAL	06-0646659

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ▶ $
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $
3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c Media advertisements?		X	
d Mailings to members, legislators, or the public?	X		500.
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		51,391.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		54,728.
j Total. Add lines 1c through 1i			106,619.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

		Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1		
2 Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."**

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE AMOUNT REPORTED IN "OTHER ACTIVITIES" REPRESENTS A PORTION OF PROFESSIONAL DUES ATTRIBUTABLE TO LOBBYING DURING FY 2014.

ALSO, THE HEALTH SYSTEM OFFICIALS HAD MEETINGS AND CONTACTS WITH STATE GOVERNMENT OFFICIALS, INCLUDING STATE LEGISLATORS AND THEIR STAFF TO DISCUSS VARIOUS HEALTH CARE REFORM PROPOSALS.

Part IV Supplemental Information *(continued)*

GREENWICH HOSPITAL IS PART OF A CONTROLLED GROUP WITH THE FOLLOWING

LOBBYING EXPENSES:

YALE-NEW HAVEN HOSPITAL EIN 06-0646652 $636,959

BRIDGEPORT HOSPITAL EIN 06-0646554 $137,349

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	78,904,000.	72,853,000.	64,905,000.	59,106,000.	66,856,000.
b Contributions	925,000.	125,000.	100,000.	45,000.	
c Net investment earnings, gains, and losses	10,828,000.	8,395,000.	10,512,000.	-1,833,000.	4,816,000.
d Grants or scholarships					
e Other expenditures for facilities and programs	3,164,000.	2,469,000.	2,664,000.	2,413,000.	2,566,000.
f Administrative expenses					
g End of year balance	87,493,000.	78,904,000.	72,853,000.	64,905,000.	59,106,000.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ 53.46 %
b Permanent endowment ▶ 26.52 %
c Temporarily restricted endowment ▶ 20.02 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations (3a(i))		X
(ii) related organizations (3a(ii))	X	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? (3b)	X	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,333,484.		6,333,484.
b Buildings		230,685,302.	74,627,118.	156,058,184.
c Leasehold improvements		26,346,476.	8,737,754.	17,608,722.
d Equipment		172,393,619.	129,632,591.	42,761,028.
e Other		461,501.		461,501.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				223,222,919.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) OTHER SECURITIES	76,034,299.	END-OF-YEAR MARKET VALUE
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	76,034,299.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) OTHER RECEIVABLES	37,314,712.
(2) EPIC SHARED PROJECT	12,179,006.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	49,493,718.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE-3RD PARTY & OTHER PAYORS	15,780,377.
(3) EST LIABILITY-SELF INSURANCE	25,622,771.
(4) FORWARD INTEREST RATE SWAP	3,817,540.
(5) ACCRUED PENSION	31,683,781.
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	76,904,469.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	354,225,944.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	5,497,747.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d	4,474,984.		
e	Add lines **2a** through **2d**			2e	9,972,731.
3	Subtract line **2e** from line **1**			3	344,253,213.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	15,223,677.		
c	Add lines **4a** and **4b**			4c	15,223,677.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	359,476,890.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	317,853,964.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d	-1,117,105.		
e	Add lines **2a** through **2d**			2e	-1,117,105.
3	Subtract line **2e** from line **1**			3	318,971,069.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	4,807,474.		
c	Add lines **4a** and **4b**			4c	4,807,474.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	323,778,543.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:

THE ENDOWED FUNDS' INTENDED USE IS TO GENERATE INCOME TO SUPPORT GREENWICH HOSPITAL PROGRAM SERVICE FUNCTIONS AND OTHER OPERATIONS IN ACCORDANCE WITH THE GREENWICH HOSPITAL POOLED INVESTMENT POLICY.

PART XI, LINE 2D - OTHER ADJUSTMENTS:

INCOME FROM FOUNDATION RECOGNIZED ON SEPARATE RETURN	1,464,437.
NET ASSETS RELEASED FROM OPERATIONS	3,009,665.
OTHER EXPENSES - INCLUDED IN NON-OPERATING REVENUE	882.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	4,474,984.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

Part XIII Supplemental Information *(continued)*

RECLASS FROM EXPENSE - GAIN ON SALE OF ASSETS	13,500.
AUXILIARY REVENUE	1,445,188.
CONTRIBUTIONS FROM TEMPORARILY RESTRICTED	7,698,975.
RENTAL EXPENSES - RECLASS FROM EXPENSES TO REVENUE	-94,105.
GAIN FROM SALE OF SECURITIES	1,103,000.
RECLASS FROM EXPENSE - INSURANCE RECOVERIES	1,798,774.
RECLASS TO EXPENSE - NON-OPS	3,258,345.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	15,223,677.

PART XII, LINE 2D - OTHER ADJUSTMENTS:	
RECLASS - GAIN ON SALE OF ASSETS	-13,500.
SPECIAL EVENTS RECLASS TO INCOME	601,064.
RENTAL EXPENSES - RECLASS FROM EXPENSES TO REVENUE	94,105.
RECLASS FROM EXP - INSURANCE RECOVERIES	-1,798,774.
TOTAL TO SCHEDULE D, PART XII, LINE 2D	-1,117,105.

PART XII, LINE 4B - OTHER ADJUSTMENTS:	
AUXILIARY EXPENSES	948,945.
FUNDRAISING EXPENSES FROM NON-OPERATING REVENUE	3,859,411.
MISCELLANEOUS EXPENSE FROM NON-OPERATING REVENUE	-882.
TOTAL TO SCHEDULE D, PART XII, LINE 4B	4,807,474.

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.

▶ **Attach to Form 990 or Form 990-EZ.**

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GALA (event type)	(b) Event #2 UNDER THE STARS (event type)	(c) Other events 1 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	843,872.	222,742.	201,149.	1,267,763.
	2 Less: Contributions	793,647.	177,142.	157,649.	1,128,438.
	3 Gross income (line 1 minus line 2)	50,225.	45,600.	43,500.	139,325.
Direct Expenses	4 Cash prizes	0.	0.	0.	
	5 Noncash prizes	0.	0.	0.	
	6 Rent/facility costs	71,681.	22,275.	50,972.	144,928.
	7 Food and beverages	60,355.	49,990.	5,227.	115,572.
	8 Entertainment	11,000.	2,803.	3,500.	17,303.
	9 Other direct expenses	198,719.	51,984.	72,559.	323,262.
	10 Direct expense summary. Add lines 4 through 9 in column (d)			▶	601,065.
	11 Net income summary. Subtract line 10 from line 3, column (d)			▶	-461,740.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)			▶	
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)			▶	

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility	13a	%
b An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____ .

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ $ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.		
	[X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities		
	[ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
3a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [ ] 150% [ ] 200% [X] Other 250 %	X	
3b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other _____ %		X
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Did the organization prepare a community benefit report during the tax year?	X	
6b	If "Yes," did the organization make it available to the public?	X	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		13,808	19,607,000.	1,180,000.	18,427,000.	5.69%
b Medicaid (from Worksheet 3, column a)		26,245	22,037,795.	13,111,770.	8,926,025.	2.76%
c Costs of other means-tested government programs (from Worksheet 3, column b)		0	0.	0.		
d **Total** Financial Assistance and Means-Tested Government Programs		40,053	41,644,795.	14,291,770.	27,353,025.	8.45%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	16	20,041	704,744.	25,000.	679,744.	.21%
f Health professions education (from Worksheet 5)	4	193	4,931,991.	1,339,709.	3,592,282.	1.11%
g Subsidized health services (from Worksheet 6)	3	9,975	8,871,416.	5,730,152.	3,141,264.	.97%
h Research (from Worksheet 7)	1	0	468,440.	0.	468,440.	.14%
i Cash and in-kind contributions for community benefit (from Worksheet 8)	6	2,387	399,958.	0.	399,958.	.12%
j **Total.** Other Benefits	30	32,596	15,376,549.	7,094,861.	8,281,688.	2.55%
k **Total.** Add lines 7d and 7j	30	72,649	57,021,344.	21,386,631.	35,634,713.	11.00%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	0	272,013.	0.	272,013.	.08%
2	Economic development	1	0	13,724.	0.	13,724.	.00%
3	Community support	0	0	0.	0.		
4	Environmental improvements	0	0	0.	0.		
5	Leadership development and training for community members	0	0	0.	0.		
6	Coalition building	2	236	31,701.	0.	31,701.	.01%
7	Community health improvement advocacy	0	0	0.	0.		
8	Workforce development	1	52	1,971.	0.	1,971.	.00%
9	Other	0	0	0.	0.		
10	Total	5	288	319,409.		319,409.	.09%

Part III Bad Debt, Medicare, & Collection Practices

			Yes	No
Section A. Bad Debt Expense				
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2 25,084,845.		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare				
5	Enter total revenue received from Medicare (including DSH and IME)	5 98,031,844.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 124,126,714.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -26,094,870.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: [X] Cost accounting system [ ] Cost to charge ratio [ ] Other			
Section C. Collection Practices				
9a	Did the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	NONE	NONE			

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number	Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER other	Other (describe)	Facility reporting group
1 GREENWICH HOSPITAL 5 PERRYRIDGE ROAD GREENWICH, CT 06830 WWW.GREENWICHHOSPITAL.ORG 0045	X	X		X		X	X			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group GREENWICH HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	X	
	If "Yes," indicate what the CHNA report describes (check all that apply):			
a	[X] A definition of the community served by the hospital facility			
b	[X] Demographics of the community			
c	[X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[X] The health needs of the community			
f	[X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[X] The process for consulting with persons representing the community's interests			
i	[X] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[ ] Other (describe in Section C)			
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	X	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	4		X
5	Did the hospital facility make its CHNA report widely available to the public?	5	X	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
a	[X] Hospital facility's website (list url): SEE PART V, SECTION C			
b	[X] Other website (list url): SEE PART V, SECTION C			
c	[X] Available upon request from the hospital facility			
d	[ ] Other (describe in Section C)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year):			
a	[X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	[X] Execution of the implementation strategy			
c	[ ] Participation in the development of a community-wide plan			
d	[ ] Participation in the execution of a community-wide plan			
e	[X] Inclusion of a community benefit section in operational plans			
f	[X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	[X] Prioritization of health needs in its community			
h	[X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Section C)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Section C which needs it has not addressed and the reasons why it has not addressed such needs	7		X
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)* GREENWICH HOSPITAL

		Yes	No
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	X	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
If "Yes," indicate the FPG family income limit for eligibility for free care: 250 %			
If "No," explain in Section C the criteria the hospital facility used.			
11 Used FPG to determine eligibility for providing *discounted* care?	11		X
If "Yes," indicate the FPG family income limit for eligibility for discounted care: ____ %			
If "No," explain in Section C the criteria the hospital facility used.			
12 Explained the basis for calculating amounts charged to patients?	12	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a [X] Income level			
b [ ] Asset level			
c [ ] Medical indigency			
d [X] Insurance status			
e [ ] Uninsured discount			
f [ ] Medicaid/Medicare			
g [ ] State regulation			
h [X] Residency			
i [ ] Other (describe in Section C)			
13 Explained the method for applying for financial assistance?	13	X	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a [X] The policy was posted on the hospital facility's website			
b [X] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on request			
g [ ] Other (describe in Section C)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	X	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	17		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Section C)			

Part V Facility Information *(continued)* GREENWICH HOSPITAL

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):

- a [X] Notified individuals of the financial assistance policy on admission
- b [X] Notified individuals of the financial assistance policy prior to discharge
- c [X] Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- d [X] Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- e [ ] Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	X	

If "No," indicate why:

- a [ ] The hospital facility did not provide care for any emergency medical conditions
- b [ ] The hospital facility's policy was not in writing
- c [ ] The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)
- d [ ] Other (describe in Section C)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a [ ] The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b [ ] The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c [ ] The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d [X] Other (describe in Section C)

21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Section C.	21		X
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? If "Yes," explain in Section C.	22		X

Part V **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

PART V, SECTION A:

THIS STATE LICENSE FOR THE HOSPITAL LOCATION LISTED IN SCHEDULE H, PART V, SECTION A, ALSO COVERS VARIOUS SATELLITE LOCATIONS OPERATED UNDER AND EXPRESSLY LISTED ON THE SAME STATE HOSPITAL LICENSE.

GREENWICH HOSPITAL:

PART V, SECTION B, LINE 3: COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE CHNA PROCESS. GREENWICH HOSPITAL SOUGHT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL THROUGH FOCUS GROUPS WITH COMMUNITY MEMBERS, KEY INFORMANT INTERVIEWS WITH COMMUNITY STAKEHOLDERS, AND INCLUSION OF COMMUNITY PARTNERS IN THE PRIORITIZATION AND IMPLEMENTATION PLANNING PROCESS. PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS SHARED KNOWLEDGE AND EXPERTISE ABOUT HEALTH ISSUES, WHILE LEADERS AND REPRESENTATIVES OF NON-PROFIT AND COMMUNITY-BASED ORGANIZATIONS PROVIDED INSIGHT ON THE COMMUNITY SERVED BY GREENWICH HOSPITAL, INCLUDING MEDICALLY UNDERSERVED, LOW INCOME, AND MINORITY POPULATIONS.

PART V, SECTION B, LINE 5A - HOSPITAL FACILITY'S WEBSITE (LIST URL):

GREENWICHHOSPITAL.ORG/ABOUT/COMMUNITY-HEALTH-NEEDS-ASSESSMENT

PART V, SECTION B, LINE 5B - OTHER WEBSITES (LIST URL):

EXPLANATION:CT.GOV/DPH/LIB/DPH/OHCA/COMMUNITY_NEEDS_ASSESSMENT/CHNA/2014/G

GREENWICH HOSPITAL:

Part V | **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d. 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

PART V, SECTION B, LINE 7: BASED ON THE FEEDBACK FROM COMMUNITY PARTNERS INCLUDING HEALTH CARE PROVIDERS, PUBLIC HEALTH EXPERTS, HEALTH AND HUMAN SERVICE AGENCIES, AND OTHER COMMUNITY REPRESENTATIVES, GREENWICH HOSPITAL PLANS TO FOCUS COMMUNITY HEALTH IMPROVEMENT EFFORTS ON THE FOLLOWING HEALTH PRIORITIES OVER THE NEXT THREE-YEAR CYCLE: ACCESS TO CARE, CANCER, MENTAL HEALTH AND PROMOTING HEALTHY LIFESTYLES. AREAS IDENTIFIED AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT NOT BEING ADDRESSED AS A RESULT OF A PRIORITIZATION PROCESS INCLUDE DENTAL CARE, DIABETES, HEART DISEASE, RESPIRATORY DISEASE AND STROKE.

GREENWICH HOSPITAL RECOGNIZES THAT PARTNERSHIPS WITH COMMUNITY AGENCIES HAVE THE BROADEST REACH TO IMPROVE COMMUNITY HEALTH ISSUES. AS SUCH, THE HOSPITAL IS PROVIDING FACILITATION SUPPORT FOR THE IMPLEMENTATION OF THE COMMUNITY-WIDE HEALTH IMPROVEMENT PLAN THAT WILL FOCUS ON ALL FOUR AREAS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT.

GREENWICH HOSPITAL:

PART V, SECTION B, LINE 11: THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THERE IS NO INCOME LIMITATION FOR ELIGIBILITY FOR DISCOUNTED CARE.

GREENWICH HOSPITAL:

PART V, SECTION B, LINE 20D: PRIOR TO BECOMING FAP-ELIGIBLE, ALL INDIVIDUALS ARE CHARGED STANDARD GROSS CHARGES. AFTER AN INDIVIDUAL IS DEEMED TO BE FAP-ELIGIBLE, ANY DISCOUNTS OR FREE CARE ASSISTANCE DISCOUNTS

Part V | **Facility Information** *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A, " "Facility B," etc.

ARE APPLIED IN ACCORDANCE WITH THE FAP PROGRAM THE INDIVIDUAL QUALIFIES FOR. THE DISCOUNTS ARE ADJUSTED OFF THE PATIENT'S ACCOUNT WHICH IS ALSO REFLECTED IN THE INDIVIDUAL'S BILLING.

SCHEDULE H, PART V, SECTION D

THE FACILITY LOCATIONS LISTED IN SCHEDULE H, PART V, SECTION D, INCLUDE NON-HOSPITAL HEALTH CARE FACILITIES THAT GREENWICH HOSPITAL OPERATED DURING THE TAX YEAR, WHETHER OR NOT REQUIRED TO BE LICENSED OR REGISTERED UNDER STATE LAW, AS REQUIRED BY THE IRS. ALL SUCH LOCATIONS ARE OPERATED BY GREENWICH HOSPITAL UNDER THE GREENWICH HOSPITAL STATE HOSPITAL LICENSE.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 19

	Name and address	Type of Facility (describe)
1	PHYSICAL MEDICINE & REHABILIATION CEN 2015 WEST MAIN ST, SUITE 200 STAMFORD, CT 06902	HOSPITAL
2	HOSPITAL OUTPATIENT MEDICAL ONCOLOGY 15 VALLEY DRIVE GREENWICH, CT 06831	CANCER CENTER
3	BENDHEIM CANCER CENTER 77 LAFAYETTE PLACE GREENWICH, CT 06830	CANCER/CARDIAC REHAB/DI/LAB
4	GREENWICH HOSPITAL OCCUPAT. HEALTH 75 HOLLY HILL LANE GREENWICH, CT 06830	OCC. HEALTH / WOMENS HEALTH / LAB
5	AMBULATORY SURGICAL CENTER 55 HOLLY HILL LANE GREENWICH, CT 06830	HOSPITAL
6	GREENWICH HOSPITAL LAB 49 LAKE AVE; 2ND FLOOR GREENWICH, CT 06830	LAB
7	GREENWICH HOSPITAL LAB 90 MORGAN STREET; 3RD FLOOR, SUITE 30 STAMFORD, CT 06905	LAB
8	GREENWICH HOSPITAL LAB 106 NOROTON AVENUE DARIEN, CT 06820	LAB
9	GREENWICH HOSPITAL LAB 159 WEST PUTNAM AVE; 2ND FLOOR GREENWICH, CT 06830	LAB
10	GREENWICH HOSPITAL LAB 4 DEERFIELD DRIVE; 2ND FLOOR GREENWICH, CT 06830	LAB

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
11 GREENWICH HOSPITAL LAB 40 CROSS ST; 3RD FLOOR, SUITE 350 NORWALK, CT 06851	LAB
12 GREENWICH HOSPITAL LAB 148 EAST AVE; SUITE 1F NORWALK, CT 06851	LAB
13 GREENWICH HOSPITAL,CNTR FOR INTEGR. M 35 RIVER ROAD COS COB, CT 06807	INTEGRATIVE MEDICINE
14 GREENWICH HOSPITAL LAB 1275 SUMMER STREET; 3RD FLOOR STAMFORD, CT 06905	LAB
15 GREENWICH HOSPITAL LAB 15 VALEY DRIVE; SUITE 200 GREENWICH, CT 06831	LAB
16 GREENWICH HOSPITAL DIAGNOSTIC CENTER 2015 WEST MAIN ST STAMFORD, CT 06902	DI / LAB
17 GREENWICH HOSPITAL LAB 31 RIVER ROAD, SUITE 102 COS COB, CT 06807	LAB
18 GREENWICH HOSPITAL HOME CARE AND HOSP 500 WEST PUTNAM AVENUE GREENWICH, CT 06830	HOME CARE
19 GREENWICH HOSPITAL LAB 90 SOUTH RIDGE STREET RYE, NY 10573	LAB

Part VI Supplemental Information

Provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

THE FINANCIAL ASSISTANCE POLICY PROVIDES THAT THE PATIENT MUST SUBMIT A FINANCIAL ASSISTANCE APPLICATION. THE FINANCIAL ASSISTANCE POLICY PROVIDES FOR ELIGIBILITY OF CARE REGARDLESS OF INCOME.

PART I, LINE 7:

THE HOSPITAL USES A COST ACCOUNTING SYSTEM, TSI, TO CALCULATE THE AMOUNTS PRESENTED IN PART I, LINE 7. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS.

PART II, COMMUNITY BUILDING ACTIVITIES:

GREENWICH HOSPITAL IS ONE OF THE TOP FIVE EMPLOYERS IN GREENWICH WITH 1,813 EMPLOYEES IN 2014. THE HOSPITAL PROVIDES IN-KIND AND FINANCIAL SUPPORT FOR SEVERAL ECONOMIC INITIATIVES THROUGHOUT FAIRFIELD AND WESTCHESTER COUNTIES. MEMBERS OF THE HOSPITAL'S LEADERSHIP AND MANAGEMENT STAFF ALSO SUPPORT ECONOMIC AND COMMUNITY DEVELOPMENT BY SERVING ON THE BOARDS OF THE GREENWICH CHAMBER OF COMMERCE AND THE PORT CHESTER-RYE BROOK-RYE TOWN CHAMBER OF COMMERCE. THROUGH THESE

Part VI Supplemental Information *(Continuation)*

ORGANIZATIONS, GREENWICH HOSPITAL ADVOCATES FOR AND FACILITATES INCREASED ECONOMIC DEVELOPMENT FOR THE AREA.

GREENWICH HOSPITAL ALONG WITH MANY OTHER HOSPITALS ACROSS THE COUNTRY UTILIZES THE COMMUNITY BENEFITS INVENTORY FOR SOCIAL ACCOUNTABILITY DATABASE DEVELOPED BY LYON SOFTWARE TO CATALOG ITS COMMUNITY BENEFIT AND COMMUNITY BUILDING ACTIVITIES AND THE GUIDELINES DEVELOPED BY THE CATHOLIC HOSPITAL ASSOCIATION (CHA) IN ORDER TO CATALOG THESE BENEFITS. THESE TWO ORGANIZATIONS HAVE WORKED TOGETHER FOR OVER TWENTY YEARS TO PROVIDE SUPPORT TO NON-FOR-PROFIT HOSPITALS TO DEVELOP AND SUSTAIN EFFECTIVE COMMUNITY BENEFIT PROGRAMS.

THE MOST RECENT VERSION OF THE CHA GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT DEFINES COMMUNITY BUILDING ACTIVITIES AS PROGRAMS THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, SUCH AS POVERTY, HOMELESSNESS AND ENVIRONMENTAL PROBLEMS. THESE ACTIVITIES ARE CATEGORIZED INTO EIGHT DISTINCT AREAS INCLUDING PHYSICAL IMPROVEMENT AND HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT, ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, COALITION BUILDING, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS, AND WORKFORCE DEVELOPMENT.

YALE NEW HAVEN HEALTH ENHANCES THE LIVES OF THOSE WE SERVE BY PROVIDING ACCESS TO INTEGRATED, HIGH-VALUE, PATIENT-CENTERED CARE IN COLLABORATION WITH OTHERS WHO SHARE OUR VALUES. AS SUCH, GREENWICH HOSPITAL IS INCREASINGLY AWARE OF HOW SOCIAL DETERMINANTS IMPACT THE HEALTH OF INDIVIDUALS AND COMMUNITIES. A PERSON'S HEALTH AND CHANCES OF BECOMING SICK AND DYING EARLY ARE GREATLY INFLUENCED BY POWERFUL SOCIAL FACTORS SUCH AS EDUCATION, INCOME, NUTRITION, HOUSING AND NEIGHBORHOODS. DURING FISCAL YEAR 2014, GREENWICH HOSPITAL PROVIDED NEARLY $319,410 IN FINANCIAL AND IN-KIND DONATIONS. THE HOSPITAL CONSIDERS THESE INVESTMENTS PART OF ITS OVERALL COMMITMENT OF BUILDING STRONGER NEIGHBORHOODS. EXAMPLES BELOW

Part VI Supplemental Information *(Continuation)*

FOCUS ON THE AREAS OF REVITALIZING OUR NEIGHBORHOODS AND CREATING EDUCATIONAL OPPORTUNITIES.

REVITALIZING OUR NEIGHBORHOODS

ONE OF SEVERAL COMMUNITY INITIATIVES UNDERTAKEN BY GREENWICH HOSPITAL TO ENHANCE ACCESS TO HEALTHY, AFFORDABLE FOOD IS COMMUNITY GARDENS. THIS PROGRAM IS ADMINISTERED IN COLLABORATION WITH THE COUNCIL OF COMMUNITY SERVICES, PORT CHESTER SCHOOLS AND AREA CHURCHES TO PROVIDE FRESH VEGETABLES TO PARTICIPANTS IN PORT CHESTER'S FOUR FOOD PANTRIES, SEVEN SOUP KITCHENS AND NUTRITION CENTERS. THE COUNCIL OF COMMUNITY SERVICES ORGANIZES VOLUNTEERS TO PLANT AND HARVEST THE CROPS. OVER THE PAST SEVERAL YEARS, THE PROGRAM HAS PROVIDED THOUSANDS OF LOW-INCOME PORT CHESTER FAMILIES WITH FRESH VEGETABLES. THE COMMUNITY GARDENS ENCOURAGE HEALTHY EATING HABITS, ENCOURAGES CHILDREN TO TRY NEW VEGETABLES, CONNECTS CHILDREN TO NATURE AND THE ENVIRONMENT, AIMS TO PREVENT CHILDHOOD OBESITY, AND PROMOTES PHYSICAL ACTIVITY WHILE ENCOURAGING NEW WAYS OF LEARNING AND PROMOTING HEALTH EDUCATION. THE HOSPITAL PROVIDES IN-KIND SUPPORT FOR THE INITIATIVE.

TO SUPPORT DRIVING SAFETY, GREENWICH HOSPITAL AND THE AARP CO-SPONSORED AN EDUCATIONAL DRIVING PROGRAM FOR OLDER ADULTS WITH APPROXIMATELY 370 WESTCHESTER AND FAIRFIELD COUNTY ADULTS ATTENDING THE PROGRAM. THE EDUCATIONAL DRIVING PROGRAM PROMOTES SAFETY AND IS INTENDED TO REDUCE ACCIDENT RATES AMONG DRIVERS AGE 55 AND OLDER.

GREENWICH HOSPITAL WAS ALSO THE RECIPIENT OF A DONATION OF FUNDS TO DEVELOP A COMMUNITY FLOWER GARDEN ON ITS PROPERTY TO BE OPEN TO THE PUBLIC. VARIOUS COMMUNITY CEREMONIES AND CELEBRATIONS ARE CONDUCTED IN THE GARDEN INCLUDING CANCER SURVIVOR PROGRAMS AND THE TREE OF LIGHT

PROGRAM. EACH WINTER, GREENWICH HOSPITAL PROVIDES A WARM CENTER FOR THE COMMUNITY IN ITS NOBLE CONFERENCE CENTER. THIS WARM CENTER IS AVAILABLE TO THOSE IN NEED DUE TO POWER OUTAGES, SNOW STORMS AND FREEZING TEMPERATURES. INCLUDED IN THE WARM CENTER ARE COTS, HOT BEVERAGES, HAND WARMERS AND MAGAZINES.

CREATING EDUCATIONAL OPPORTUNITIES

HIGHER EDUCATIONAL ATTAINMENT IS ASSOCIATED WITH BETTER HEALTH STATUS AND LONGER LIFE. FOR EXAMPLE, ADULTS AGED 25-50 YEARS WHO HAVE A COLLEGE DEGREE WILL ON AVERAGE LIVE FIVE YEARS LONGER THAN THOSE WITH LESS THAN A HIGH SCHOOL EDUCATION. TO ENCOURAGE THE PURSUIT OF HIGHER EDUCATION, GREENWICH HOSPITAL SPONSORED SEVERAL PROGRAMS TO INTRODUCE MIDDLE AND HIGH SCHOOL STUDENTS TO POTENTIAL HEALTH CARE CAREERS.

GREENWICH HOSPITAL, THROUGH A JOINT EFFORT WITH HIGH SCHOOLS IN PORT CHESTER AND GREENWICH, PROVIDED AN EDUCATIONAL PROGRAM INTRODUCING STUDENTS TO HEALTH CARE CAREER OPPORTUNITIES. A TOTAL OF 22 STUDENTS PARTICIPATED IN THE PROGRAM, WHICH IS AIMED AT EDUCATING AND INSPIRING STUDENTS TO PURSUE FULFILLING HEALTH CARE CAREERS. THE AFTER-SCHOOL PROGRAM WAS HELD OVER FOUR WEEKS AND INCLUDED A TOUR OF GREENWICH HOSPITAL AND ITS JOHN AND ANDREA FRANK SYN:APSE SIMULATION CENTER. THE SIMULATION CENTER OFFERS HANDS-ON TRAINING USING A HIGH-FIDELITY MANNEQUIN THAT CAN SPEAK AND RESPOND PHYSIOLOGICALLY TO MEDICATIONS AND TREATMENT.

GREENWICH HOSPITAL ALSO PROVIDED MIDDLE AND HIGH SCHOOL STUDENTS THE OPPORTUNITY TO GET AN IN-DEPTH LOOK INTO VARIOUS HEALTH CARE CAREERS THROUGH AN AFTER-SCHOOL PROGRAM SPONSORED IN PARTNERSHIP WITH THE BOY SCOUTS OF AMERICA'S GREENWICH CHAPTER. WHILE TOURING THE HOSPITAL, PARTICIPANTS LEARNED ABOUT A VARIETY OF HOSPITAL SETTINGS AND SPOKE WITH

Part VI Supplemental Information *(Continuation)*

PROFESSIONALS IN THE MEDICAL FIELD. EDUCATIONAL PROGRAMS FOCUSED ON HEALTH, NUTRITION, FIRST AID, SAFETY, SMOKING PREVENTION AND PROPER HYGIENE.

PART III, LINE 2:

IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. THE HOSPITAL'S COST ACCOUNTING SYSTEM UTILIZES PATIENT-SPECIFIC DATA TO ACCUMULATE AND DERIVE COSTS RELATED TO THESE BAD DEBT ACCOUNTS.

PART III, LINE 4:

THE HOSPITAL'S COMMITMENT TO COMMUNITY SERVICE IS EVIDENCED BY SERVICES PROVIDED TO THE POOR AND BENEFITS PROVIDED TO THE BROADER COMMUNITY. SERVICES PROVIDED TO THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTHCARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED.

THE HOSPITAL MAKES AVAILABLE FREE CARE PROGRAMS FOR QUALIFYING PATIENTS. IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED. FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE. FOR PATIENTS WHO DO NOT AVAIL THEMSELVES OF ANY FREE CARE PROGRAM AND WHOSE ABILITY TO PAY CANNOT BE DETERMINED BY THE HOSPITAL, CARE GIVEN BUT NOT PAID FOR, IS CLASSIFIED AS CHARITY CARE.

Part VI Supplemental Information *(Continuation)*

DURING THE YEAR ENDED SEPTEMBER 30, 2014, THE HOSPITAL AMENDED ITS CHARITY CARE POLICY. BASED UPON THE POLICY CHANGE, THE HOSPITAL EXPERIENCED INCREASED CHARITY CARE WRITE OFFS DURING THE YEAR.

TOGETHER, CHARITY CARE AND BAD DEBT EXPENSE REPRESENT UNCOMPENSATED CARE. THE ESTIMATED COST OF TOTAL UNCOMPENSATED CARE IS APPROXIMATELY $17.0 MILLION AND $12.5 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF UNCOMPENSATED CARE IS DETERMINED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM. THIS ANALYSIS CALCULATES THE ACTUAL PERCENTAGE OF ACCOUNTS WRITTEN OFF OR DESIGNATED AS BAD DEBT VS. CHARITY CARE WHILE TAKING INTO ACCOUNT THE TOTAL COSTS INCURRED BY THE HOSPITAL FOR EACH ACCOUNT ANALYZED.

THE ESTIMATED COST OF CHARITY CARE PROVIDED WAS APPROXIMATELY $7.5 MILLION AND $5.8 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, RESPECTIVELY. THE ESTIMATED COST OF CHARITY CARE IS DETERMINED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM.

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, BAD DEBT EXPENSE, AT CHARGES, WAS APPROXIMATELY $25.1 MILLION AND $18.3 MILLION, RESPECTIVELY. FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, BAD DEBT EXPENSE, AT COST, WAS APPROXIMATELY $9.5 MILLION AND $6.7 MILLION, RESPECTIVELY. THE BAD DEBT EXPENSE IS MULTIPLIED BY THE RATIO OF COST TO CHARGES FOR PURPOSES OF INCLUSION IN THE TOTAL UNCOMPENSATED CARE AMOUNT IDENTIFIED ABOVE.

THE CONNECTICUT DISPROPORTIONATE SHARE HOSPITAL PROGRAM (CDSHP) WAS ESTABLISHED TO PROVIDE FUNDS TO HOSPITALS FOR THE PROVISION OF

Part VI Supplemental Information *(Continuation)*

UNCOMPENSATED CARE AND IS FUNDED, IN PART, BY AN ASSESSMENT ON HOSPITAL NET PATIENT SERVICE REVENUE. DURING THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013, THE HOSPITAL RECEIVED APPROXIMATELY $1.2 MILLION AND $2.8 MILLION, RESPECTIVELY, IN CDSHP DISTRIBUTIONS, OF WHICH APPROXIMATELY $0.5 MILLION AND $1.4 MILLION WAS RELATED TO CHARITY CARE. THE HOSPITAL MADE PAYMENTS INTO THE CDSHP OF APPROXIMATELY $12.1 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013 FOR THE ASSESSMENT.

ADDITIONALLY, THE HOSPITAL PROVIDES BENEFITS FOR THE BROADER COMMUNITY WHICH INCLUDES SERVICES PROVIDED TO OTHER NEEDY POPULATIONS THAT MAY NOT QUALIFY AS POOR BUT NEED SPECIAL SERVICES AND SUPPORT. BENEFITS INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION OF THE GENERAL COMMUNITY, INTERNS AND RESIDENTS, HEALTH SCREENINGS, AND MEDICAL RESEARCH. THE BENEFITS ARE PROVIDED THROUGH THE COMMUNITY HEALTH CENTERS, SOME OF WHICH SERVICE NON-ENGLISH SPEAKING RESIDENTS, DISABLED CHILDREN, AND VARIOUS COMMUNITY SUPPORT GROUPS.

IN ADDITION TO THE QUANTIFIABLE SERVICES DEFINED ABOVE, THE HOSPITAL PROVIDES ADDITIONAL BENEFITS TO THE COMMUNITY THROUGH ITS ADVOCACY OF COMMUNITY SERVICE BY EMPLOYEES. THE HOSPITAL'S EMPLOYEES SERVE NUMEROUS ORGANIZATIONS THROUGH BOARD REPRESENTATION, MEMBERSHIP IN ASSOCIATIONS AND OTHER RELATED ACTIVITIES. THE HOSPITAL ALSO SOLICITS THE ASSISTANCE OF OTHER HEALTH CARE PROFESSIONALS TO PROVIDE THEIR SERVICES AT NO CHARGE THROUGH PARTICIPATION IN VARIOUS COMMUNITY SEMINARS AND TRAINING PROGRAMS.

PART III, LINE 8:

THE ENTIRE MEDICARE LOSS PRESENTED SHOULD BE TREATED AS A COMMUNITY BENEFIT FOR THE FOLLOWING REASONS: THE IRS COMMUNITY BENEFIT

Part VI Supplemental Information *(Continuation)*

STANDARD INCLUDES THE PROVISION OF CARE TO MEDICARE BENEFICIARIES, IRS REVENUE RULING 69-545 INDICATES THAT HOSPITALS OPERATE FOR THE PROMOTION OF HEALTH IN THE COMMUNITY WHEN IT PROVIDES CARE TO PATIENTS WITH GOVERNMENTAL HEALTH BENEFITS, THE ORGANIZATION PROVIDES CARE TO MEDICARE PATIENTS REGARDLESS OF MEDICARE SHORTFALLS (REDUCING THE BURDEN ON THE GOVERNMENT), AND MANY OF THE MEDICARE PARTICIPANTS WOULD HAVE QUALIFIED FOR THE CHARITY CARE OR OTHER MEANS TESTED PROGRAMS ABSENT BEING ENROLLED IN THE MEDICARE PROGRAM. THE MEDICARE SHORTFALL REPORTED IS DETERMINED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM, TSI.

PART III, LINE 9B:

IT IS THE HOSPITAL'S POLICY TO TREAT ALL PATIENTS EQUITABLY WITH RESPECT AND COMPASSION, FROM THE BEDSIDE TO THE BILLING OFFICE. THE HOSPITAL WILL PURSUE PATIENT ACCOUNTS, DIRECTLY AND THROUGH ITS COLLECTION AGENTS, FAIRLY AND CONSISTENTLY TAKING INTO CONSIDERATION DEMONSTRATED FINANCIAL NEED. AS PART OF ITS COLLECTION PROCESS, THE HOSPITAL WILL MAKE REASONABLE EFFORTS TO DETERMINE IF AN INDIVIDUAL IS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER ITS FINANCIAL ASSISTANCE POLICY. IN THE EVENT A PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE, THE HOSPITAL WILL NOT ENGAGE IN ANY EXTRAORDINARY COLLECTION ACTION AS DEFINED BY LAW AND HOSPITAL POLICY.

PART VI, LINE 2:

COMMUNITY NEEDS ARE ROUTINELY REVIEWED AND ADDRESSED AS PART OF THE OPERATIONS AND SERVICE LINE TEAMS AT GREENWICH HOSPITAL. THESE MULTI-DISCIPLINARY GROUPS PROVIDE ANALYSIS AND INSIGHT INTO PATIENT UTILIZATION TRENDS ACROSS THE DELIVERY OF CARE AND ARE REVIEWED IN TANDEM WITH CARE MANAGEMENT AND PATIENT SATISFACTION RESULTS AND OTHER COMMUNITY FEEDBACK. COUPLED WITH THE RECENTLY COMPLETED COMMUNITY NEEDS ASSESSMENT,

Part VI Supplemental Information *(Continuation)*

THIS INFORMATION ASSISTS WITH THE DEVELOPMENT OF NEW INITIATIVES, PARTNERSHIPS, PROGRAMS AND SERVICES TO BENEFIT OUR COMMUNITY.

PART VI, LINE 3:

GREENWICH HOSPITAL INFORMS INDIVIDUALS ABOUT ITS FINANCIAL ASSISTANCE PROGRAMS ON ITS WEBSITE, THROUGH VISIBLE POSTINGS AND COMMUNICATIONS AT POINTS OF REGISTRATION AND FRONT LINE ACCESS. THE FINANCIAL ASSISTANCE POLICY, APPLICATION AND SUMMARY ARE AVAILABLE ON REQUEST WITHOUT CHARGE BY MAIL, INCLUDING AT ADMITTING DEPARTMENT. FURTHER, PATIENTS RECEIVE A SUMMARY OF FINANCIAL ASSISTANCE PROGRAMS, INCLUDING ELIGIBILITY REQUIREMENTS THROUGH A FIRST STATEMENT MAILER AS PART OF THE BILLING PROCESS. THESE COMMUNICATIONS INCLUDE TELEPHONE NUMBERS AND POINT OF CONTACT FOR INDIVIDUALS TO VISIT OR CALL. THE HOSPITAL HAS RESOURCES TO ASSIST PATIENTS WITH STATE OF CONNECTICUT MEDICAID APPLICATIONS.

PART VI, LINE 4:

GREENWICH HOSPITAL IS A 206-BED (INCLUDING BASSINETS) REGIONAL HOSPITAL, SERVING FAIRFIELD COUNTY, CONNECTICUT AND WESTCHESTER COUNTY, NEW YORK. IT IS A MAJOR ACADEMIC AFFILIATE OF THE YALE SCHOOL OF MEDICINE AND A MEMBER OF THE YALE NEW HAVEN HEALTH SYSTEM. SINCE OPENING IN 1903, GREENWICH HOSPITAL HAS EVOLVED INTO A PROGRESSIVE MEDICAL CENTER AND TEACHING INSTITUTION WITH AN INTERNAL MEDICINE RESIDENCY PROGRAM. THE LOCAL GEOGRAPHIC AREA SERVED BY GREENWICH HOSPITAL INCLUDES THE CONNECTICUT TOWNS OF GREENWICH, DARIEN, NEW CANAAN AND STAMFORD AS WELL AS THE NEW YORK TOWNS OF PORT CHESTER, RYE, HARRISON, LARCHMONT AND MAMARONECK. APPROXIMATELY 29% OF HOUSEHOLDS HAVE INCOMES LESS THAN $50,000, 42% OF HOUSEHOLDS HAVE INCOMES BETWEEN $50,000 AND $150,000 AND

Part VI Supplemental Information *(Continuation)*

THE REMAINING 29% OF HOUSEHOLDS HAVE INCOMES GREATER THAN $150,000. THE SECONDARY GEOGRAPHIC COVERAGE AREA OF THE HOSPITAL ENCOMPASSES A WIDE RANGE OF TOWNS INCLUDING NORWALK, WESTON, WESTPORT AND WILTON IN CONNECTICUT AND ARMONK, BEDFORD, HARTSDALE, KATONAH, MOUNT KISCO, MOUNT VERNON, NEW ROCHELLE, POUND RIDGE, PURCHASE, SCARSDALE, SOUTH SALEM, WEST HARRISON, AND WHITE PLAINS IN NEW YORK.

SEVERAL NON-PROFIT HOSPITALS ARE LOCATED IN THE AREA INCLUDING STAMFORD HOSPITAL AND NORWALK HOSPITAL IN CONNECTICUT IN ADDITION TO WHITE PLAINS HOSPITAL, WESTCHESTER MEDICAL CENTER, MONTEFIORE MOUNT VERNON AND MONTEFIORE NEW ROCHELLE IN NEW YORK.

GREENWICH HOSPITAL REPRESENTS ALL MEDICAL SPECIALTIES AND OFFERS A WIDE RANGE OF MEDICAL, SURGICAL, DIAGNOSTIC AND WELLNESS PROGRAMS. IN FISCAL YEAR 2014, THERE WERE 40,900 VISITS TO THE HOSPITAL'S EMERGENCY DEPARTMENT OF WHICH 5,984 BECAME INPATIENTS AND 32,521 WERE OUTPATIENTS. IN THAT SAME FISCAL YEAR, THE HOSPITAL'S INPATIENT VOLUME CONSISTED OF A DIVERSE PAYER MIX WITH 6.4 PERCENT MEDICAID PATIENTS, 36.2 PERCENT MEDICARE PATIENTS, 55.7 PERCENT MANAGED CARE AND COMMERCIAL PATIENTS AND 1.7 PERCENT SELF PAY OR OTHER PATIENTS.

PART VI, LINE 6:

THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE THE HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL PATIENTS HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES. THE YALE NEW HAVEN HEALTH SYSTEM REQUIRES ITS HOSPITALS TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THE HOSPITAL'S EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE. IN ADDITION, REGULAR REPORTING ON COMMUNITY BENEFITS IS REQUIRED ON A QUARTERLY BASIS.

PART VI, LINE 5 - PROMOTION OF COMMUNITY HEALTH

GREENWICH HOSPITAL, FOUNDED IN 1903, IS A 206-BED COMMUNITY TEACHING HOSPITAL THAT HAS EVOLVED INTO A PROGRESSIVE REGIONAL HEALTHCARE CENTER, WITH MORE THAN 12,500 INPATIENT DISCHARGES AND NEARLY 290,000 OUTPATIENT ENCOUNTERS LAST YEAR. THE HOSPITAL OFFERS A WIDE RANGE OF MEDICAL, SURGICAL, DIAGNOSTIC AND WELLNESS PROGRAMS. SPECIALIZED SERVICES ARE OFFERED AT THE BENDHEIM CANCER CENTER, BREAST CENTER, ENDOSCOPY CENTER, LEONA M. AND HARRY B. HELMSLEY AMBULATORY MEDICAL CENTER, THE RICHARD R. PIVIROTTO CENTER FOR HEALTHY LIVING AND THE GREENWICH HOSPITAL DIAGNOSTIC CENTER IN STAMFORD.

AS A COMMUNITY HEALTH CARE SERVICES PROVIDER, GREENWICH HOSPITAL REMAINS ATTENTIVE TO HEALTH AND WELL-BEING THROUGH EDUCATION, OUTREACH AND OTHER INNOVATIVE SERVICES. DURING FISCAL YEAR 2014, GREENWICH HOSPITAL MANAGED $52.8 MILLION IN FINANCIAL AND IN-KIND CONTRIBUTIONS THROUGH FIVE WIDE-RANGING PROGRAMS-GUARANTEEING ACCESS TO CARE; PROMOTING HEALTH AND WELLNESS; ADVANCING CAREERS IN HEALTH CARE; RESEARCH; AND CREATING HEALTHIER COMMUNITIES. A SIXTH CATEGORY, BUILDING STRONGER NEIGHBORHOODS, WAS DISCUSSED PREVIOUSLY IN PART II.

GUARANTEEING ACCESS TO CARE

GREENWICH HOSPITAL RECOGNIZES THAT SOME PATIENTS MAY BE UNINSURED, NOT HAVE ADEQUATE HEALTH INSURANCE OR OTHERWISE LACK THE RESOURCES TO PAY FOR HEALTH CARE. IN FISCAL YEAR 2014, THE TOTAL COMMUNITY BENEFIT ASSOCIATED WITH GUARANTEEING ACCESS TO CARE WAS $47.7 MILLION. HONORING ITS MISSION AND COMMITMENT TO THE COMMUNITY, THE HOSPITAL PARTICIPATES IN GOVERNMENT-SPONSORED PROGRAMS SUCH AS MEDICARE, MEDICAID, HUSKY, CHAMPUS AND TRICARE. DURING FISCAL YEAR 2014, GREENWICH HOSPITAL PROVIDED SERVICES FOR 22,245 MEDICAID BENEFICIARIES AT A TOTAL EXPENSE

Part VI Supplemental Information *(Continuation)*

OF $26.1 MILLION (AT COST). ADDITIONALLY, THE HOSPITAL ASSISTED OVER 890 CONNECTICUT AND NEW YORK PATIENTS WITH MEDICAID APPLICATIONS AND MEDICAID ELIGIBILITY QUESTIONS DURING FISCAL YEAR 2014.

GREENWICH HOSPITAL ALSO OFFERS A SLIDING SCALE OF DISCOUNTED FEES AND FREE CARE FOR ELIGIBLE PATIENTS. DURING FISCAL YEAR 2014, THE HOSPITAL DELIVERED SUCH FINANCIAL ASSISTANCE SERVICES FOR AT A TOTAL EXPENSE OF $18.4 MILLION (AT COST). ALSO DURING FISCAL YEAR 2014, HOSPITAL STAFF DISTRIBUTED 1,055 APPLICATIONS FOR HOSPITAL FREE BED FUNDS. THE FUNDS WERE DONATED TO GREENWICH HOSPITAL BY INDIVIDUALS OR TRUSTS TO BE USED FOR FINANCIAL ASSISTANCE TO PATIENTS WHOM PAYMENT FOR THEIR HOSPITAL SERVICES WOULD BE A FINANCIAL HARDSHIP.

GREENWICH HOSPITAL ALSO GUARANTEES ACCESS TO CARE BY PROVIDING CLINICAL PROGRAMS DESPITE A FINANCIAL LOSS SO SIGNIFICANT THAT NEGATIVE MARGINS REMAIN AFTER REMOVING THE EFFECTS OF FREE CARE, BAD DEBT AND UNDER-REIMBURSED MEDICAID. SUBSIDIZED HEALTH SERVICES INCLUDE THE OUTPATIENT CENTER'S MEDICAL (INCLUDING DIABETES) AND BEHAVIORAL HEALTH CLINICS AND PEDIATRIC OUTPATIENT CENTER. EACH YEAR, MORE THAN 5,000 ADULTS AND CHILDREN VISIT THE OUTPATIENT CENTER AND PEDIATRIC OUTPATIENT CENTER FOR DIAGNOSIS, TREATMENT AND PREVENTIVE CARE.

GREENWICH HOSPITAL WAS ONCE AGAIN THE BENEFICIARY OF A GRANT FROM THE BREAST CANCER ALLIANCE TO PROVIDE FUNDING FOR FREE SCREENING AND DIAGNOSTIC MAMMOGRAM SERVICES FOR WOMEN WHO ARE UNINSURED OR UNDERINSURED. IN CALENDAR YEAR 2014, 186 UNINSURED WOMEN RECEIVED FREE SCREENING MAMMOGRAMS. AMONG THE WOMEN NEEDING FURTHER TESTING, 24 HAD FREE UNILATERAL DIAGNOSTIC MAMMOGRAMS, THREE HAD FREE BILATERAL DIAGNOSTIC MAMMOGRAMS AND 30 RECEIVED FREE ULTRASOUND EXAMINATIONS. IN ADDITION, 211 NEWLY DIAGNOSED BREAST CANCER PATIENTS RECEIVED EDUCATION RESOURCE NOTEBOOKS WITH INFORMATION ABOUT LOCAL SUPPORT AND CANCER

Part VI Supplemental Information *(Continuation)*

RESOURCES THAT CAN PROVIDE ASSISTANCE.

PROMOTING HEALTH AND WELLNESS

DURING FISCAL YEAR 2014, GREENWICH HOSPITAL PROVIDED $679,744 IN COMMUNITY HEALTH IMPROVEMENT SERVICES, INCLUDING HEALTH EDUCATION PROGRAM, SUPPORT GROUPS AND HEALTH FAIRS. EXAMPLES OF THESE IMPORTANT SERVICES AND PROGRAMS ARE PROVIDED BELOW.

THE HOSPITAL LED THE COMMUNITY HEALTH IMPROVEMENT PARTNERSHIP, WHICH MEETS MONTHLY TO IDENTIFY COMMUNITY NEEDS AND IMPLEMENT HEALTH PROGRAMS AND RESOURCES. THE PARTNERSHIP ORGANIZED A HEALTH AND WELLNESS FAIR TITLED THE TEDDY BEAR REPAIR CLINIC. THE CLINIC DREW 1,300 COMMUNITY MEMBERS FOR A DAY OF INTERACTIVE EDUCATION ON HEALTH AND WELLNESS. IN 2014, THE TEDDY BEAR CLINIC WAS HELD AT THE GREENWICH MEDICAL BUILDING PARKING LOT LOCATED BEHIND GREENWICH HOSPITAL. THE CLINIC EXPOSES CHILDREN AND THEIR FAMILIES TO HEALTHCARE PROFESSIONALS, MEDICAL PROCEDURES AND HOSPITAL DEPARTMENTS IN A FAMILY-FRIENDLY, RELAXED SETTING.

THIRTY-FIVE COMMUNITY MEMBERS PARTICIPATED IN THE MENTAL HEALTH FIRST AID PROGRAM, A TWO-DAY, 12-HOUR CERTIFICATION COURSE TO INCREASE MENTAL HEALTH LITERACY. THE PROGRAM HELPS COMMUNITY MEMBERS UNDERSTAND MENTAL ILLNESS AND PROVIDES AN OVERVIEW OF INTERVENTIONS AND TREATMENTS. PARTICIPANTS LEARNED ABOUT RISK FACTORS AND WARNING SIGNS OF DEPRESSION, ANXIETY, TRAUMA, PSYCHOSIS AND PSYCHOTIC DISORDERS, EATING DISORDERS, SUBSTANCE ABUSE, SELF-INJURY AND OTHER MENTAL HEALTH DISORDERS. THIS COURSE IS DESIGNED TO GIVE LAY PERSONS TOOLS TO RESPOND TO PSYCHIATRIC EMERGENCIES UNTIL PROFESSIONAL HELP ARRIVES. ADDITIONAL EFFORTS TO PROMOTE AWARENESS OF MENTAL HEALTH AND TO REDUCE THE STIGMA OF MENTAL ILLNESS INCLUDED VIEWINGS OF THE FILM "HAZE".

AS THE HOSPITAL'S OUTREACH DEPARTMENT, COMMUNITY HEALTH AT GREENWICH HOSPITAL AND COMMUNITY HEALTH OF FAIRCHESTER ARE DEDICATED TO IMPROVING THE HEALTH STATUS OF COMMUNITIES IN CONNECTICUT AND NEW YORK. BOTH ENTITIES MAINTAIN A STRONG COMMUNITY PRESENCE THROUGH THEIR NUMEROUS PARTNERSHIPS WITH THE YALE NEW HAVEN HEALTH SYSTEM, LOCAL AND REGIONAL COMMUNITY ORGANIZATIONS, SCHOOLS, GOVERNMENT AGENCIES, CORPORATIONS AND OTHER GREENWICH HOSPITAL DEPARTMENTS.

COMMUNITY HEALTH @ GREENWICH HOSPITAL AND COMMUNITY HEALTH OF FAIRCHESTER SUPPORT THE HOSPITAL'S MISSION TO PROVIDE A FULL CONTINUUM OF CARE BY OFFERING INNOVATIVE HEALTH SCREENINGS, SPEAKERS, SUPPORT GROUPS, SCHOOL PROGRAMS, HEALTH EDUCATION AND WELLNESS PROGRAMS DESIGNED TO PROMOTE HEALTH AND INCREASE ACCESS TO HEALTHCARE SERVICES.

OVER THE PAST YEAR, GREENWICH HOSPITAL PARTICIPATED IN MORE THAN 33 HEALTH FAIRS REACHING AN ESTIMATED 1,300 PEOPLE AT VARIOUS COMMUNITY SITES WITH THE GOAL OF INCREASING PEOPLE'S KNOWLEDGE AND HEALTH LITERACY. THE FAIRS WERE HELD AT PARKS, SCHOOLS, MULTI-HOUSING DEVELOPMENTS, HOUSES OF WORSHIP, YOUTH AND SENIOR CENTERS IN WESTCHESTER AND FAIRFIELD COUNTIES. PARTICIPANTS RECEIVED HEALTH SCREENINGS, INFORMATION AND EDUCATION ABOUT EXERCISE, HEALTHY HABITS AND BEHAVIORS, HAND WASHING AND HYGIENE, IMMUNIZATION, SUN SAFETY, CHOLESTEROL, STROKE, WEIGHT MANAGEMENT, NUTRITION, BREAST SELF-EXAMS, SMOKING CESSATION AND MORE. GREENWICH HOSPITAL STAFF OFFERED FREE BLOOD PRESSURE AND METABOLIC SCREENINGS ALONG WITH HEALTH EDUCATION AND COUNSELING ON HEALTHY LIVING. IN ADDITION, GREENWICH HOSPITAL PROVIDED MORE THAN 100 INDIVIDUALS WITH INFORMATION FROM VENDORS SPECIALIZING IN

Part VI Supplemental Information (Continuation)

DIABETIC CARE AND CONDUCTED FREE DIABETES-RELATED HEALTH SCREENINGS AS PART OF A DIABETES HEALTH FAIR.

THE GREENWICH DEPARTMENT OF HEALTH, THE GREENWICH COMMISSION ON AGING AND GREENWICH HOSPITAL SPONSORED AN ANNUAL SENIOR HEALTH FAIR, WHICH OFFERED FREE HEALTH EDUCATION, SCREENINGS AND RESOURCE REFERRALS. IN ADDITION, 32 FREE CHOLESTEROL SCREENINGS WERE CONDUCTED AT THE EVENT.

GREENWICH HOSPITAL, THROUGH THE NURSE IS IN PROGRAM, PROVIDED FREE BLOOD PRESSURE SCREENINGS AND HEALTH COUNSELING TO OVER 4,000 PEOPLE AT LOCAL LIBRARIES, YMCAS AND SENIOR CENTERS IN CONNECTICUT AND NEW YORK. AN ADDITIONAL NEARLY 2,200 FREE BLOOD PRESSURE SCREENINGS WERE CONDUCTED AT OTHER COMMUNITY SITES. THE HOSPITAL'S PARISH NURSE PROGRAM, A PARTNERSHIP WITH THE FIRST CONGREGATIONAL CHURCH OF GREENWICH, PROVIDES MORE THAN 2,000 CHURCH MEMBERS WITH HEALTH EDUCATION PROGRAMS, SUPPORT GROUPS, FLU SHOTS AND SCREENINGS ALL CONDUCTED OR COORDINATED BY A REGISTERED NURSE.

DURING FISCAL YEAR 2014, A TOTAL OF 64 MEN PARTICIPATED IN FREE PROSTATE CANCER SCREENINGS THAT INCLUDED A PSA (PROSTATE-SPECIFIC ANTIGEN) TEST, CONSULTATION AND EXAMINATION WITH AN UROLOGIST. THE UNIQUE EDUCATION AND SCREENING EVENT WAS SPONSORED BY GREENWICH HOSPITAL ALONG WITH WFAN RADIO SPORTS PERSONALITY ED RANDALL'S "FANS FOR THE CURE" PROGRAM.

COMMUNITY HEALTH @ GREENWICH HOSPITAL PROVIDED OR PARTICIPATED IN ADDITIONAL YOUTH ADULT HEALTH PROGRAMS INCLUDING AN AREA PTA WELLNESS COMMITTEE, BODY GUARDS-A HAND HYGIENE PROGRAM FOR ELEMENTARY, MIDDLE

AND HIGH SCHOOL STUDENTS, INTERACTIVE HEALTH AND SAFETY PROGRAMS, SCHOOL HEALTH EDUCATION ABOUT SELF-BREAST EXAMS AND SELF-TESTICULAR EXAMS, SMOKING PREVENTION AND DRUG AND ALCOHOL PREVENTION PROGRAMS. GREENWICH HOSPITAL ALSO CONTINUED TO SUPPORT THE LIONS LOW VISION CENTER, WHICH ASSISTS PATIENTS SUFFERING FROM MODERATE VISUAL IMPAIRMENTS TO MAXIMIZE THEIR REMAINING VISION AND IMPROVE THEIR QUALITY OF LIFE. IN FISCAL YEAR 2014, 25 PEOPLE UTILIZED THIS SERVICE. GREENWICH HOSPITAL PARTICIPATED IN SEVERAL PROGRAMS OFFERED THROUGHOUT THE YEAR FOCUSED ON PROVIDING HEALTHY LIFESTYLE EDUCATION FOR FAMILIES. THESE INCLUDED FAMILY UNIVERSITY AND FRIDAY NIGHT OUT. THE FAMILY UNIVERSITY IS DESIGNED TO EMPOWER STUDENTS IN GRADES 5-12 AND THEIR PARENTS TO MAKE SMART HEALTHY CHOICES WITHIN THEIR FAMILIES. THESE BILINGUAL WORKSHOPS HELD IN COLLABORATION WITH THE PORT CHESTER SCHOOL SYSTEM AND THE PORT CHESTER CARES COMMITTEE INCLUDED A SERIES OF TOPICS INCLUDING PREVENTION OF ALCOHOL AND SUBSTANCE ABUSE, BULLYING, HEALTHY NUTRITION AND EXERCISE. FRIDAY NIGHT OUT AT THE BOYS AND GIRLS CLUB OF GREENWICH AND SPONSORED WITH A GRANT FROM PEPSI BOTTLING GROUP PROVIDED A THREE-MONTH PROGRAM PROMOTING HEALTHY LIFESTYLES. TEN FAMILIES PARTICIPATED IN THE PROGRAM.

KIDS COOKING IN THE KITCHEN IS A WELLNESS PROGRAM THAT BROUGHT TOGETHER GREENWICH HOSPITAL AND THE BOYS & GIRLS CLUB OF GREENWICH TO TACKLE OBESITY BY EDUCATING AND EMPOWERING YOUTH TO MAKE HEALTHY FOOD AND LIFESTYLE CHOICES. TEN CHILDREN AGES 10 TO 12 YEARS ATTENDED THREE WEEKLY, 90-MINUTE SESSIONS OF KIDS COOKING IN THE KITCHEN AT THE BOYS & GIRLS CLUB OF GREENWICH IN MARCH 2014. THE GOAL WAS TO ENGAGE CHILDREN IN A SAFE, SUPERVISED CULINARY ENVIRONMENT THAT PROVIDED NUTRITION

Part VI Supplemental Information *(Continuation)*

EDUCATION AND HEALTHY COOKING THAT ULTIMATELY BENEFITTED THE ENTIRE FAMILY AS PARTICIPANTS SHARED WHAT THEY LEARNED WITH THEIR PARENTS AND SIBLINGS IN THEIR OWN LANGUAGE AND CULTURE AT HOME.

GREENWICH HOSPITAL OFFERS A VARIETY OF SUPPORT GROUPS FOR PATIENTS AND FAMILIES INCLUDING CANCER, DIABETES, LUNG DISEASE, PARKINSON'S DISEASE, HEART HEALTH, CELIAC AND FOOD ALLERGY, PAIN, BARIATRIC SURGERY, WEIGHT LOSS, STROKE, SMOKING CESSATION, LUPUS, MULTIPLE SCLEROSIS, AND CHRONIC PAIN. THE GROUPS ARE PROVIDED FREE OF CHARGE TO HELP PATIENTS AND THEIR FAMILIES COPE WITH THEIR ILLNESSES AND RELATED ISSUES. THE HOSPITAL ALSO SUPPORTED DANCE PROGRAMS FOR COMMUNITY MEMBERS AFFECTED WITH PARKINSON'S DISEASE AT RYE ARTS CENTER AND FOR CANCER PATIENTS AT THE GRAND BALLROOM OF GREENWICH.

ADVANCING CAREERS IN HEALTH CARE

AS A MAJOR ACADEMIC AFFILIATE OF THE YALE SCHOOL OF MEDICINE, GREENWICH HOSPITAL HAS EVOLVED INTO A PROGRESSIVE MEDICAL CENTER AND TEACHING INSTITUTION WITH AN INTERNAL MEDICINE RESIDENCY. IN ADDITION, THE HOSPITAL PROVIDES A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO STUDENTS ENROLLED IN THE AREAS OF NURSING AND RESPIRATORY CARE TECHNICIANS. IN 2014, THE COST TO GREENWICH HOSPITAL TO PROVIDE FUNDING FOR HEALTHCARE TRAINING AND EDUCATION PROGRAMS WAS NEARLY $3.6 MILLION, AND BENEFITED 193 INDIVIDUALS.

THE HOSPITAL PROVIDES A SIGNIFICANT AMOUNT OF HEALTH PROFESSIONS EDUCATION ON AN ANNUAL BASIS FOR 22 MEDICAL PROFESSIONALS. THIS INCLUDES GRADUATE AND INDIRECT MEDICAL EDUCATION IN THE AREA OF RESIDENCY AND FELLOWSHIP EDUCATION FOR PHYSICIANS AND MEDICAL STUDENTS.

DURING 2014, THE HOSPITAL PROVIDED A CLINICAL SETTING FOR UNDERGRADUATE TRAINING TO 147 STUDENTS ENROLLED IN NURSING PROGRAMS. GREENWICH HOSPITAL HAS LONG-STANDING PARTNERSHIPS TO PROVIDE THIS TRAINING WITH AREA COLLEGES AND UNIVERSITIES INCLUDING NORWALK COMMUNITY COLLEGE AND THE COLLEGE OF NEW ROCHELLE.

IN 2014, GREENWICH HOSPITAL PILOTED A NEW ONCOLOGY NURSING FELLOWSHIP PROGRAM. THE PROGRAM WAS MADE POSSIBLE THROUGH THE SUSAN D. FLYNN ONCOLOGY NURSING TRAINING AND DEVELOPMENT FUND, ESTABLISHED BY RETIRED STAMFORD BUSINESS EXECUTIVE FREDERICK C. FLYNN JR. IN MEMORY OF HIS LATE WIFE, WHO DIED OF OVARIAN CANCER IN 2013. DURING THE EIGHT WEEK PROGRAM AT GREENWICH HOSPITAL, STUDENTS SHADOWED SEASONED NURSES, BECAME INTEGRAL HANDS-ON MEMBERS OF THE CANCER CARE TEAMS IN THE OR, RADIATION, CHEMO INFUSION, THE CANCER REGISTRY AND ONCOLOGY RESEARCH. THEY ALSO WORKED WITH NURSE NAVIGATORS AND THE QUALITY AND SAFETY TEAM AND ATTENDED SCHWARTZ CENTER ROUNDS, A MONTHLY DISCUSSION AMONG HOSPITAL STAFF ABOUT THE ETHICAL AND EMOTIONAL CHALLENGES CAREGIVERS FACE. TWO STUDENTS FROM BOSTON COLLEGE GRADUATED FROM THE PROGRAM AT GREENWICH HOSPITAL WITH NINE OTHER ONCOLOGY NURSING STUDENTS FROM EITHER BOSTON COLLEGE OR FAIRFIELD UNIVERSITY COMPLETING SIMILAR PROGRAMS AT SEVERAL LEADING HOSPITALS INCLUDING STAMFORD HOSPITAL, WENTWORTH-DOUGLAS HOSPITAL, MASSACHUSETTS GENERAL HOSPITAL, AND THE DANA-FARBER CANCER INSTITUTE.

RESEARCH

STATE CANCER REGISTRIES ENABLE PUBLIC HEALTH PROFESSIONALS TO BETTER UNDERSTAND AND ADDRESS CANCER BURDEN. REGISTRY DATA ARE CRITICAL FOR

Part VI Supplemental Information (Continuation)

TARGETING PROGRAMS FOCUSED ON RISK-RELATED BEHAVIORS OR ON ENVIRONMENTAL RISK FACTORS. SUCH INFORMATION IS ALSO ESSENTIAL FOR IDENTIFYING WHEN AND WHERE CANCER SCREENING EFFORTS SHOULD BE ENHANCED AND FOR MONITORING THE TREATMENT PROVIDED TO CANCER PATIENTS. IN ADDITION, RELIABLE REGISTRY DATA ARE FUNDAMENTAL TO A VARIETY OF RESEARCH EFFORTS, INCLUDING THOSE AIMED AT EVALUATING THE EFFECTIVENESS OF CANCER PREVENTION, CONTROL OR TREATMENT PROGRAMS. IN THE UNITED STATES, THESE DATA ARE REPORTED TO A CENTRAL STATEWIDE REGISTRY FROM VARIOUS MEDICAL FACILITIES INCLUDING HOSPITALS, PHYSICIANS' OFFICES, THERAPEUTIC RADIATION FACILITIES, FREESTANDING SURGICAL CENTERS AND PATHOLOGY LABORATORIES. DURING FISCAL YEAR 2014, THE TOTAL COST ASSOCIATED WITH THE GREENWICH HOSPITAL CANCER REGISTRY INCLUDING BOTH DIRECT AND INDIRECT COSTS WERE $468,440.

GREENWICH HOSPITAL ALSO PROVIDES ANNUAL SUPPORT TO THE ONS FOUNDATION FOR CLINICAL RESEARCH AND EDUCATION. THE ONS FOUNDATION FOR CLINICAL RESEARCH AND EDUCATION, A GREENWICH HOSPITAL ALLIANCE, WORKS TO DEVELOP, VALIDATE, FORMALIZE AND DISSEMINATE THE LATEST ADVANCES IN SURGICAL TECHNIQUES, REHABILITATION PROTOCOLS AND CLINICAL OUTCOMES IN ORTHOPAEDICS AND NEUROSURGERY TO IMPROVE PATIENT CARE ON REGIONAL AND NATIONAL LEVELS. THE HOSPITAL'S SPONSORSHIP OF THIS WORK IS CAPTURED UNDER CREATING HEALTHIER COMMUNITIES.

CREATING HEALTHIER COMMUNITIES

IN FISCAL YEAR 2014, GREENWICH HOSPITAL CONTINUED TO WORK CLOSELY WITH A NUMBER OF NOT-FOR-PROFIT ORGANIZATIONS AND MUNICIPALITIES AND SUPPORTED EFFORTS TO CREATE A HEALTHIER COMMUNITY THROUGH FINANCIAL AND IN-KIND SERVICES TOTALING $399,958. EXAMPLES INCLUDE ANNUAL PROGRAMS

Part VI Supplemental Information *(Continuation)*

SUCH AS CARDIO PULMONARY RESUSCITATION (CPR) TRAINING, RELAY FOR LIFE, SHED YOUR MEDS AND A SPEAKER'S BUREAU.

AS A COMMUNITY TRAINING CENTER FOR THE AMERICAN HEART ASSOCIATION, GREENWICH HOSPITAL PROVIDED CPR TRAINING TO 302 PROFESSIONAL AND LAY RESCUERS. IN ADDITION, FREE ADULT CPR CLASSES WERE PROVIDED TO THE COMMUNITY AND 39 PEOPLE ATTENDED. ANOTHER 30 PEOPLE ATTENDED FEW INFANT AND CHILD CPR CLASSES, WHICH WERE HELD AT OPEN DOOR.

COMMUNITY HEALTH @ GREENWICH HOSPITAL WAS A MAJOR SPONSOR OF GREENWICH'S RELAY FOR LIFE, AN AMERICAN CANCER SOCIETY EVENT THAT BRINGS CANCER SURVIVORS TOGETHER TO CELEBRATE LIFE. THE EVENT RAISED APPROXIMATELY $77,347 FOR THE AMERICAN CANCER SOCIETY. OVER THE PAST EIGHT YEARS, REALY FOR LIFE HAS RAISED A TOTAL OF $550,000. COMMUNITY HEALTH @ GREENWICH HOSPITAL PARTNERED WITH OTHER ORGANIZATIONS TO SPONSOR VARIOUS CANCER-AWARENESS EVENTS THAT PROVIDED EDUCATION ABOUT CANCER, AND THE IMPORTANCE OF EXAMS FOR EARLY DETECTION AND TREATMENT THERAPIES. THESE EVENTS INCLUDED CANCER CARE, CT SPORTS FOUNDATION AGAINST CANCER, AND ED RANDALL'S FANS FOR THE CURE.

SHED YOUR MEDS CONTINUES TO BE SPONSORED BY GREENWICH HOSPITAL, THE TOWN OF GREENWICH, THE GREENWICH POLICE DEPARTMENT, CONNECTICUT DEPARTMENT OF CONSUMER PROTECTION, THE SILVER SHIELD OF GREENWICH, GREENWICH YOUTH SERVICES COUNCIL, COMMUNITY AND POLICE PARTNERSHIP AND THE COMMUNITY HEALTH IMPROVEMENT PARTNERSHIP.

SHED YOUR MEDS IS AN ANNUAL PUBLIC SAFETY EFFORT WHICH ENCOURAGES RESIDENTS TO GET RID OF UNWANTED OR EXPIRED MEDICATIONS. THE INSTALLATION OF A PERMANENT "DROP BOX" PROVIDING RESIDENTS WITH ROUND

Part VI Supplemental Information *(Continuation)*

THE CLOCK ACCESS TO DROP OFF UNWANTED OR EXPIRED MEDICATIONS WAS COMPLETED IN 2013.

AS PART OF ITS OUTREACH MISSION, COMMUNITY HEALTH AT GREENWICH HOSPITAL OPERATES A SPEAKER'S BUREAU TO PROMOTE HEALTH EDUCATION AND AWARENESS IN THE COMMUNITY. IN 2014, GREENWICH HOSPITAL PHYSICIANS, NURSES, DIETICIANS, PHYSICAL THERAPISTS, SOCIAL WORKERS, AND PHARMACISTS CONDUCTED FREE LECTURES AT LIBRARIES, SENIOR CENTERS, SCHOOLS, CORPORATIONS, AND COMMUNITY SERVICE ORGANIZATIONS SUCH AS ROTARY CLUB, 40/40 CLUB, YWCA, AND YMCA IN CONNECTICUT AND WESTCHESTER COMMUNITIES. TOPICS INCLUDED DIABETES, STROKE, HEART ATTACK PREVENTION, BREAST, SKIN AND COLON CANCER AWARENESS, CHOLESTEROL REDUCTION, HEALTHY LIFESTYLES AND HABITS, HYGIENE, HEART HEALTH, MENTAL HEALTH, IMMUNIZATION, NUTRITION, OSTEOPOROSIS, KNOWING YOUR NUMBERS, PARKINSON'S DISEASE, PROSTATE HEALTH, SMOKING PREVENTION / CESSATION, AND WEIGHT MANAGEMENT.

SUPPLEMENTAL INFORMATION

IN ADDITION TO THE ACTIVITIES DESCRIBED, GREENWICH HOSPITAL ALSO CONTRIBUTES TO THE COMMUNITY IN WAYS THAT ARE NOT QUANTIFIED AS PART OF THIS REPORT AND SERVES AS AN IMPORTANT COMMUNITY RESOURCE. THIS INCLUDES HAVING A COMMUNITY-BASED BOARD OF TRUSTEES WITH MANY OF THE BOARD MEMBERS RESIDING OR WORKING IN THE TOWN OF GREENWICH AND OTHER MUNICIPALITIES SERVED BY THE HOSPITAL. THE HOSPITAL ALSO EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY. IN FISCAL YEAR 2014 THERE WERE A TOTAL OF 548 MEMBERS OF THE GREENWICH HOSPITAL MEDICAL STAFF.

UNDER THE LEADERSHIP OF ITS BOARD OF TRUSTEES AND SENIOR ADMINISTRATION, GREENWICH ACHIEVED STRONG PERFORMANCE IN 2014. FOLLOWING ARE SOME OF THE HIGHLIGHTS OF THE YEAR:

Part VI Supplemental Information (Continuation)

THE GREENWICH HOSPITAL CAMPUS OF SMILOW CANCER HOSPITAL AT YALE-NEW HAVEN CONVERTED ALL OF ITS MAMMOGRAPHY EQUIPMENT TO THREE-DIMENSIONAL (3-D) UNITS THAT OFFER IMPROVED CANCER DETECTION. THIS ADVANCED TECHNOLOGY IS AVAILABLE AT THE HOSPITAL'S BREAST CENTER IN GREENWICH AND ITS DIAGNOSTIC CENTER IN STAMFORD.

GREENWICH HOSPITAL WELCOMED A RECORD 2,500 NEWBORNS INTO THE WORLD IN ITS REDESIGNED MATERNITY DEPARTMENT, WHICH INCLUDES A NURSERY, LEVEL 3 NICU, LABOR AND DELIVERY AREA, AND ACCOMMODATIONS FOR ADDITIONAL ANTENATAL AND PERINATAL PATIENTS. THE HUGS INFANT SECURITY SYSTEM ALSO WAS EXPANDED TO ENSURE THE HIGHEST PATIENT SAFETY POSSIBLE. FOUR NEW YORK OBSTETRICIANS JOINED THE MEDICAL STAFF, STRENGTHENING GREENWICH'S REPUTATION AS THE REGION'S DESTINATION HOSPITAL FOR PROSPECTIVE PARENTS.

ALWAYS STRIVING TO IMPROVE THE PATIENT EXPERIENCE, GREENWICH BECAME THE ONLY HOSPITAL IN THE NORTHEAST TO OFFER FAMILY TOUCH, A COMMUNICATION SYSTEM THAT ALLOWS AMBULATORY SURGERY PATIENTS TO KEEP LOVED ONES UPDATED ON THEIR STATUS THROUGH TEXT MESSAGES.

COMMUNITY MEMBERS UTILIZE GREENWICH HOSPITAL AS A VEHICLE TO CONNECT AND CONTRIBUTE TO INDIVIDUALS AND THE OVERALL COMMUNITY THROUGH PHILANTHROPY AND VOLUNTEERING. IN FISCAL YEAR 2014, 747 ADULT AND JUNIOR VOLUNTEERS DEDICATED A TOTAL OF 54,700 SERVICE HOURS TO THE HOSPITAL. VOLUNTEERS WERE PLACED IN MANY PATIENTS AND NON-PATIENT AREAS INCLUDING THE ED, PATIENT TRANSPORT/ESCORT, ONCOLOGY, SURGERY, PAIN MANAGEMENT, MATERNITY, NICU, HUMAN RESOURCES AND INFORMATION SERVICES.

PART VI, LINE 6 - AFFILIATED HEALTH CARE INFORMATION

THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE

Part VI Supplemental Information *(Continuation)*

THE HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL PATIENTS HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES. THE YALE NEW HAVEN HEALTH SYSTEM REQUIRES ITS HOSPITALS TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THE HOSPITAL'S EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE. IN ADDITION, REGULAR REPORTING ON COMMUNITY BENEFITS IS REQUIRED ON A QUARTERLY BASIS.

PART VI, LINE 7, LIST STATES RECEIVING COMMUNITY BENEFIT REPORT:

CONNECTICUT

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization GREENWICH HOSPITAL

Employer identification number 06-0646659

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
YWCA OF GREENWICH 259 E PUTNAM AVENUE GREENWICH, CT 06830	06-0646992	501(C)(3)	30,250.	0.			SUPPORT ORGANIZATION
BREAST CANCER ALLIANCE 48 MAPLE AVENUE GREENWICH, CT 06830	06 1453500	501(C)(3)	55,000.	0.			SUPPORT ORGANIZATION
AMERICAN CANCER SOCIETY 372 DANBURY ROAD WILTON, CT 06897	13 1788491	501(C)(3)	10,000.	0.			SUPPORT ORGANIZATION
VILLAGE OF RYE BROOK 938 KING STREET RYE BROOK, NY 10573	13-3830232	501(C)(3)	5,000.	0.			SUPPORT ORGANIZATION
ONS FOUNDATION 6 GREENWICH OFFICE PARK GREENWICH, CT 06831	26 1394760	501(C)(3)	55,000.	0.			SUPPORT ORGANIZATION
LYME RESEARCH ALLIANCE 2001 WEST MAIN STREET STAMFORD, CT 06902	06 1559393	501(C)(3)	15,000.	0.			SUPPORT ORGANIZATION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 14.

3 Enter total number of other organizations listed in the line 1 table ▶ 0.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2013)

DOHP2583

332101
10-29-13

Schedule I (Form 990) GREENWICH HOSPITAL

Part II Continuation of Grants and Other Assistance to Governments and Organizations in the United States (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GEMS 111 E PUTNAM AVE RIVERSIDE, CT 06878	22-2721171	501(C)(3)	98,583.	0.			SUPPORT ORGANIZATION
CABRINI OF WESTCHESTER 115 BROADWAY DOBBS FERRY, NY 10522	23 7063399	501(C)(3)	10,000.	0.			SUPPORT ORGANIZATION
GREENWICH UNITED WAY ONE LAFAYETTE COURT GREENWICH, CT 06830	06 0646578	501(C)(3)	10,000.	0.			SUPPORT ORGANIZATION
SHELTER FOR THE HOMELESS 137 HENRY ST, STE 505 STAMFORD, CT 06902	06 1144355	501(C)(3)	5,000.	0.			SUPPORT ORGANIZATION
TRANSPORTATION ASSOCIATION OF GREENWICH - 13 RIVERSIDE AVE - RIVERSIDE, CT 06878	22 2531166	501(C)(3)	5,000.	0.			SUPPORT ORGANIZATION
UNITED HOME FOR AGED HEBREWS 391 PELHAM RD NEW ROCHELLE, NY 10805	13-1663975	501(C)(3)	5,000.	0.			SUPPORT ORGANIZATION
YMCA OF GREENWICH 50 E PUTNAM AVE GREENWICH, CT 06830	06 0646976	501(C)(3)	15,450.	0.			SUPPORT ORGANIZATION
YMCA OF RYE 21 LOCUST AVE RYE, NY 10580	13 1740515	501(C)(3)	12,500.	0.			SUPPORT ORGANIZATION

DOHP2584

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINE 2:

NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS. THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION. GREENWICH HOSPITAL ("GH") CARRIES OUT DUE DILIGENCE IN PROVIDING MONETARY ASSISTANCE ONLY TO QUALIFYING 501(C)3 ORGANIZATIONS THAT COMPLEMENT ITS MISSION OR SUPPORT THE GREATER GOOD IN THE COMMUNITIES SERVES. GH VERIFIES EACH ORGANIZATION'S EIN AS LISTED ON IRS FORM W-9 THAT HAS BEEN SUBMITTED TO GH. ASSISTANCE DONATED BY GH TO THESE QUALIFYING

DOHP2585

Part IV Supplemental Information

ORGANIZATIONS IS NOT OUTCOMES-BASED AND IS GIVEN IN SUPPORT OF AN INDIVIDUAL ORGANIZATION'S FUNDRAISING EVENTS OR IN SUPPORT OF DIRECT SERVICES. GH MAINTAINS FULL AND COMPLETE RECORDS OF ALL MONETARY ASSISTANCE PROVIDED, HOWEVER DOES NOT MONITOR SPECIFIC FUNDS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at** *www.irs.gov/form990*

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization

GREENWICH HOSPITAL

Employer identification number

06-0646659

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment?		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) GAYLE CAPOZZALO	(i)	65,868.	23,002.	41,904.	14,365.	4,605.	149,744.	0.
DIRECTOR	(ii)	592,810.	207,013.	377,136.	129,285.	41,445.	1,347,689.	0.
(2) FRANK CORVINO	(i)	541,037.	256,090.	23,132.	89,473.	13,742.	923,474.	11,805.
PRES. & CEO	(ii)	291,327.	137,895.	12,456.	48,177.	7,399.	497,254.	6,356.
(3) CHRISTINE BEECHNER	(i)	132,950.	17,547.	7,320.	11,644.	23,432.	192,893.	2,250.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) SUSAN BROWN	(i)	294,529.	51,406.	1,980.	37,662.	24,181.	409,758.	0.
SENIOR VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) EUGENE COLUCCI	(i)	180,791.	50,201.	31,700.	76,886.	9,583.	349,161.	19,890.
SENIOR VP	(ii)	220,966.	61,356.	38,744.	93,972.	11,712.	426,750.	24,309.
(6) BRIAN DORAN	(i)	413,488.	85,297.	39,426.	184,134.	33,497.	755,842.	0.
SENIOR VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) DEBORAH HODYS	(i)	324,111.	56,948.	18,095.	13,629.	27,518.	440,301.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) MARC KOSAK	(i)	210,101.	35,224.	17,869.	15,953.	25,675.	304,822.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) NANCY LEVITT ROSENTHAL	(i)	296,690.	77,331.	38,476.	132,522.	4,347.	549,366.	0.
SENIOR VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) SPIKE LIPSCHUTZ	(i)	382,247.	85,411.	29,872.	16,179.	32,910.	546,619.	0.
VP	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) MELISSA TURNER	(i)	122,606.	31,483.	23,050.	50,184.	11,672.	238,995.	0.
SENIOR VP	(ii)	122,606.	31,483.	23,050.	50,184.	11,672.	238,995.	0.
(12) VICKI ALTMEYER	(i)	495,568.	48,208.	26,856.	37,662.	18,948.	627,242.	8,268.
DIRECTOR OF PATHOLOGY	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) DOROTHY BLACKMUN	(i)	435,042.	0.	18,229.	20,544.	11,901.	485,716.	0.
PATHOLOGIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) ERIC DIAMOND	(i)	462,540.	0.	27,105.	41,912.	35,909.	567,466.	0.
PATHOLOGIST	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) RICHARD EISEN	(i)	487,084.	12,593.	26,797.	27,963.	25,265.	579,702.	5,961.
DIRECTOR OF PATHOLOGY	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) CYNTHIA KUCHER	(i)	362,573.	0.	14,375.	18,858.	2,247.	398,053.	35,992.
PATHOLOGIST	(ii)	0.	0.	0.	0.	0.	0.	0.

DOHP2588

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) QUINTON FRIESEN	(i)	0.	117,663.	542,230.	0.	0.	659,893.	520,569.
FORMER OFFICER 9/2012	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) GEORGE PAWLUSH	(i)	45,894.	49,807.	5,088.	4,985.	3,621.	109,395.	20,873.
FORMER OFFICER 2/2013	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

DOHP2589

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4B:

	SEVERENCE	NONQUALIFIED	EQUITY-BASED
EUGENE COLUCCI	$0	$86,208	$0
NANCY LEVITT-ROSENTHAL	$0	$64,872	$0
MELISSA TURNER	$0	$53,317	$0
BRIAN DORAN	$0	$96,984	$0

THE INDIVIDUALS LISTED ABOVE ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION) AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS CONSISTENT WITH THE COMPENSATION REPORTING PER IRS INSTRUCTIONS.

INDIVIDUALS LISTED BELOW BECAME VESTED IN BENEFITS VALUED AT THE AMOUNTS RESPECTIVELY REPORTED BELOW DURING THE REPORTING YEAR. INCLUDED IN SECTION II, COLUMN B (III) ARE AMOUNTS VESTED DURING THE 2013 CALENDAR YEAR THAT WERE RECOGNIZED AS TAXABLE EVENTS AND REPORTED IN THE INDIVIDUALS' 2013 CALENDAR YEAR FORM W-2.

GAYLE CAPOZZALO $322,870

DOHP2590

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

ONE FORMER OFFICER RECEIVED A PAYMENT FROM A NONQUALIFIED PLAN. THIS AMOUNT IS NOT INCLUDED IN COLUMN B OR C. THE FOLLOWING PAYMENT WAS MADE DIRECTLY TO HIM FROM THE RABBI TRUST:

QUINTON FRIESEN $127,684

THE SUPPLEMENTAL RETIREMENT INCOME PLAN (SRIP) IS DESIGNED TO ENSURE THE PAYMENT OF A COMPETITIVE LEVEL OF RETIREMENT INCOME WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME IN ORDER TO ATTRACT AND RETAIN KEY MANAGEMENT EMPLOYEES SERVING AS CORPORATE OFFICERS. THE PLAN PROVIDES SUPPLEMENTAL RETIREMENT INCOME THROUGH AN UNFUNDED, NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT UNDER SECTION 457(F) AND THROUGH A DEFERRED COMPENSATION PLAN UNDER SECTION 409A OF THE INTERNAL REVENUE CODE AND A MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES' PLAN UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA).

PART I, LINE 7:

THE SHORT TERM INCENTIVE PLAN (STIP) IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

MANAGEMENT IN RECOGNITION OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES. PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES. INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY. PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES.

DOHP2592

SCHEDULE K (Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information o... x-Exempt Bonds

▶ Complete if the organization answered "Yes" on F... Part IV, line 24a. Provide descriptions, explanations, and any additio... nation in Part VI.

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information abo... le K (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047
2013
Open to Public Inspection

Name of the organization
GREENWICH HOSPITAL

Employer identification number
06-0646659

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d)	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	CHEFA	06-0806186	20774UYC3	05/07/08	53,630,000.	REFINANCE SERIES B		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	55,121,028.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	522,360.			
7	Issuance costs from proceeds	68,897.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	54,529,771.			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2008			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

DOHP2593

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
c Are there any research agreements that may result in private business use of bond-financed property?	X							
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	1.37 %		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	.77 %		%		%		%	
6 Total of lines 4 and 5	2.14 %		%		%		%	
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?	X							
c No rebate due?	X							
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X							
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X							
b Name of provider	UBS							
c Term of hedge	18.0000000							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						

DOHP2594

Part IV Arbitrage *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
6 Were any gross proceeds invested beyond an available temporary period?								
7 Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

SCHEDULE K, PART IV, ARBITRAGE, LINE 2C:
(A) ISSUER NAME: CHEFA
DATE THE REBATE COMPUTATION WAS PERFORMED: 06/30/2009

SCHEDULE K, SUPPLEMENTAL INFORMATION: REFINANCE ISSUANCE DATE 4/6/2006

PART II, LINE 3

THE DIFFERENCE BETWEEN THE ISSUE PRICE REPORTED ON PART I, COLUMN (A)
AND TOTAL PROCEEDS REPORTED ON PART II, LINE 3 IS DUE TO EITHER
INVESTMENT EARNINGS OR PREMIUM RECEIVED FROM PURCHASER.

PART III, LINE 3C
THE ORGANIZATION HAS IN-HOUSE LEGAL STAFF WHO PROVIDE ROUTINE REVIEW OF
MANAGEMENT OR SERVICE CONTRACTS OR RESEARCH AGREEMENTS RELATING TO THE
FINANCED PROPERTY TO ENSURE THAT SUCH AGREEMENTS ARE COMPLIANT WITH
APPLICABLE SAFE HARBORS. IN-HOUSE COUNSEL CONSULT WITH THE HOSPITAL'S
OUTSIDE BOND COUNSEL AS NEEDED, INCLUDING ON NON-ROUTINE ISSUES.

PART III, LINE 9
THE ORGANIZATION HAS POLICIES AND PROCEDURES IN PLACE TO ENSURE
COMPLIANCE WITH FEDERAL TAX LAW, AND TO TIMELY IDENTIFY NONCOMPLIANCE.

DOHP2595

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions) *(Continued)*

IN THE EVENT OF NON-COMPLIANCE THE ORGANIZATION WOULD INVOLVE ITS LEGAL COUNSEL TO ADVISE REGARDING APPROPRIATE REMEDIATION.

DOHP2596

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990.*

OMB No. 1545-0047

2013

Open To Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total ▶ $												

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2013

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
CENTURY FINANCIAL SERVICES	SEE SCHEDULE O	500,492.	SEE PART V		X

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

PART IV, COLUMN D

NAME OF INTERESTED PERSON: CENTURY FINANCIAL SERVICES, INC.

OFFICER EUGENE COLUCCI IS AN OFFICER AND DIRECTOR OF CENTURY FINANCIAL SERVICES, INC.

CENTURY FINANCIAL SERVICES, INC. PROVIDES BILLING AND COLLECTION SERVICES FOR THE HOSPITAL. A PORTION OF CENTURY FINANCIAL SERVICES, INC. IS OWNED, DIRECTLY OR INDIRECTLY, BY RELATED ORGANIZATIONS OF THE HOSPITAL.

AMOUNT OF TRANSACTION: $500,492

SOME OF THE ORGANIZATION'S CURRENT OFFICERS SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE ORGANIZATION ENGAGES IN BUSINESS TRANSACTIONS WITH SOME OF THESE TAXABLE AFFILIATES. THESE TRANSACTIONS HAVE BEEN REPORTED AND DISCLOSED ON SCHEDULE R. THEY ARE NOT BEING REPORTED AGAIN HERE BECAUSE THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THE TAXABLE AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES AT THE ORGANIZATION.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶ Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications	X		2,500.	FAIR MARKET VALUE
5	Clothing and household goods	X		57,490.	FAIR MARKET VALUE
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory	X	5	6,645.	FAIR MARKET VALUE
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (MISCELLANEOUS)	X	383	112,496.	FAIR MARKET VALUE
26	Other ▶ (VACACTION/ENT)	X	29	93,165.	FAIR MARKET VALUE
27	Other ▶ (PHOTOGRAPHY)	X	11	30,700.	FAIR MARKET VALUE
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29 1

		Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1 - 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? 30a		X
b	If "Yes," describe the arrangement in Part II.		
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? 31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? 32a		X
b	If "Yes," describe in Part II.		
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B):

AMOUNTS REPRESENT NUMBER OF CONTRIBUTIONS RECEIVED.

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization: GREENWICH HOSPITAL

Employer identification number: 06-0646659

FORM 990, PART III, LINE 4A, DESCRIPTION OF PROGRAM SERVICE:

GREENWICH HOSPITAL, FOUNDED IN 1903, IS A 206-BED COMMUNITY TEACHING HOSPITAL THAT HAS EVOLVED INTO A PROGRESSIVE REGIONAL HEALTHCARE CENTER, WITH MORE THAN 12,500 INPATIENT DISCHARGES AND NEARLY 290,000 OUTPATIENT ENCOUNTERS LAST YEAR. THE HOSPITAL OFFERS A WIDE RANGE OF MEDICAL, SURGICAL, DIAGNOSTIC AND WELLNESS PROGRAMS. SPECIALIZED SERVICES ARE OFFERED AT THE BENDHEIM CANCER CENTER, BREAST CENTER, ENDOSCOPY CENTER, LEONA M. AND HARRY B. HELMSLEY AMBULATORY MEDICAL CENTER, THE RICHARD R. PIVIROTTO CENTER FOR HEALTHY LIVING AND THE GREENWICH HOSPITAL DIAGNOSTIC CENTER IN STAMFORD.

DURING FISCAL YEAR 2014, GREENWICH HOSPITAL PROVIDED APPROXIMATELY $52.8 MILLION IN COMMUNITY BENEFITS. THIS FIGURE INCLUDES $44.5 MILLION DOLLARS IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $3.6 MILLION IN HEALTH PROFESSIONS EDUCATION AND $4.7 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS. AN ADDITIONAL $319,409 WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, COALITION BUILDING AND PHYSICAL IMPROVEMENT AND HOUSING. GREENWICH HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME, MONEY AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS.

PART I, LINE 4 & PART VI, LINE 1B

Name of the organization GREENWICH HOSPITAL | Employer identification number 06-0646659

NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY THE ORGANIZATION SOUGHT TO CONFIRM THE INDEPENDENCE OF EACH VOTING MEMBER OF ITS GOVERNING BODY BY REQUESTING THAT EACH SUCH VOTING MEMBER RESPOND TO A QUESTIONNAIRE CONTAINING THE PERTINENT INSTRUCTIONS AND DEFINITIONS AND DESIGNED TO ELICIT THE INFORMATION NECESSARY TO DETERMINE INDEPENDENCE. BASED ON RESPONSES TO THE QUESTIONNAIRES RECEIVED BY THE ORGANIZATION AND ANNUAL CONFLICTS OF INTEREST DISCLOSURES, THE ORGANIZATION WAS ABLE TO CONFIRM THAT 18 VOTING MEMBERS ARE INDEPENDENT. BASED ON OTHER INFORMATION KNOWN TO THE ORGANIZATION, THE ORGANIZATION HAS NO REASON TO BELIEVE THAT ONE OF THE REMAINING TWO VOTING MEMBERS IS NOT INDEPENDENT.

FORM 990, PART VI, SECTION A, LINE 2:

TRUSTEE WILLIAM R. BERKLEY, JR. AND OFFICER/TRUSTEE FRANK A. CORVINO ARE BOARD MEMBERS OF THE SAME BUSINESS ENTITY.

SOME OF THE ORGANIZATION'S CURRENT OFFICERS AND/OR TRUSTEES SERVE AS OFFICERS AND/OR DIRECTORS OF TAXABLE AFFILIATES WITHIN THE ORGANIZATION'S CORPORATE SYSTEM. THE INDIVIDUAL OFFICERS DO NOT HAVE PERSONAL FINANCIAL INTERESTS IN THOSE TAXABLE AFFILIATES AND SERVE ONLY AS A FUNCTION OF THEIR ROLES WITH THE ORGANIZATION. THE TAXABLE AFFILIATES FOR WHICH SOME OF THE ORGANIZATION'S OFFICERS SERVE ALSO AS OFFICERS AND/OR DIRECTORS INCLUDE: GREENWICH HEALTH SERVICES, INC., GREENWICH PEDIATRIC SERVICES, P.C., GREENWICH INTEGRATIVE MEDICINE, P.C. AND GREENWICH OCCUPATIONAL HEALTH SERVICES OF NEW JERSEY, P.C.

FORM 990, PART VI, SECTION A, LINE 6:

CLASSES OF MEMBERS OR STOCKHOLDERS:

Name of the organization GREENWICH HOSPITAL

Employer identification number 06-0646659

THE HOSPITAL IS A CONNECTICUT NON-STOCK CORPORATION. ITS SOLE MEMBER IS GREENWICH HEALTH CARE SERVICES, INC. ("GHCSI"), ITSELF A CONNECTICUT NON-STOCK CORPORATION DESCRIBED IN SECTION 501(C)(3) OF THE CODE.

FORM 990, PART VI, SECTION A, LINE 7A:

ELECTION OF MEMBERS AND THEIR RIGHTS:

YALE NEW HAVEN HEALTH SERVICES CORPORATION (YNHHS), THE SOLE MEMBER OF GHCSI (THE HOSPITAL'S SOLE MEMBER), HAS THE AUTHORITY TO DESIGNATE ONE REPRESENTATIVE OF YNHHS TO SERVE AS A TRUSTEE OF THE HOSPITAL AND APPROVE NOMINEES TO THE HOSPITAL'S BOARD OF TRUSTEES IN ACCORDANCE WITH THE HOSPITAL'S BYLAWS AND THAT CERTAIN SYSTEM AFFILIATION AGREEMENT (THE "AFFILIATION AGREEMENT") BY AND AMONG YNHHS, GHCSI AND THE HOSPITAL.

FORM 990, PART VI, SECTION A, LINE 7B:

DECISIONS SUBJECT TO APPROVAL OF MEMBERS:

THE HOSPITAL HAS RESERVED POWERS TO BOTH GHCSI AND YNHHS.

GHCSI: GHCSI, IN ITS CAPACITY AS THE SOLE MEMBER OF THE HOSPITAL, HAS ONLY THOSE RIGHTS, POWERS AND PRIVILEGES REQUIRED BY LAW TO BE ACCORDED TO MEMBERS OF A NONSTOCK, NONPROFIT CORPORATION.

YNHHS: IN ACCORDANCE WITH THE HOSPITAL'S BYLAWS AND THE AFFILIATION AGREEMENT, YNHHS HAS THE FOLLOWING RIGHTS, POWERS AND PRIVILEGES VIS-A-VIS THE HOSPITAL:

(A)TO DESIGNATE ONE REPRESENTATIVE OF YNHHS TO SERVE AS A TRUSTEE OF THE HOSPITAL AT THE PLEASURE OF YNHHS, WHICH DESIGNEE SHALL BE A VOTING MEMBER OF THE EXECUTIVE OR ANY SIMILAR COMMITTEE OF THE HOSPITAL;

(B)TO APPROVE THE NOMINEES TO THE BOARD OF TRUSTEES OF THE HOSPITAL IN ACCORDANCE WITH THE PROVISIONS OF SECTION 3.3 OF THE HOSPITAL BYLAWS AND SECTION 4.2 OF THE AFFILIATION AGREEMENT;

(C)TO DIRECT THE HOSPITAL BOARD OF TRUSTEES TO REMOVE ANY HOSPITAL TRUSTEE IN ACCORDANCE WITH PROVISIONS OF THE HOSPITAL BYLAWS AND THE AFFILIATION AGREEMENT;

(D)TO APPROVE THE HOSPITAL'S ANNUAL OPERATING AND CAPITAL BUDGETS AND STRATEGIC PLANS; AND

(E)TO CONSENT TO

(I) THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE HOSPITAL'S ASSETS,

(II) ANY MERGER OR CONSOLIDATION INVOLVING THE HOSPITAL,

(III)ANY CONTRACT TO MANAGE OR ADMINISTER THE HOSPITAL OR ANY SUBSTANTIAL PART OF THE BUSINESS OF THE HOSPITAL,

(IV) ANY LIQUIDATION OR DISSOLUTION OF THE HOSPITAL OR FILING FOR BANKRUPTCY OR SIMILAR PROTECTION, OR

(V) ANY CHANGE IN THE NAME OF THE HOSPITAL.

FURTHER, IN ACCORDANCE WITH THE HOSPITAL BYLAWS, GHCSI AND YNHHS MUST EACH APPROVE ANY AMENDMENT TO THE HOSPITAL'S CERTIFICATE OF INCORPORATION OR BYLAWS.

FORM 990, PART VI, SECTION B, LINE 11:

THE ORGANIZATION'S PROCESS TO REVIEW FORM 990:

THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT. THE RETURN IS INITIALLY REVIEWED BY THE HOSPITAL DIRECTOR OF CORPORATE FINANCE. SUBSEQUENTLY, IT IS SENT TO ERNST & YOUNG US LLP FOR THEIR INITIAL REVIEW. AFTER ALL COMMENTS FROM THE ABOVE GROUPS ARE RECEIVED AND REVIEWED, THE RETURN IS THEN REVIEWED BY THE CHIEF

FINANCIAL OFFICER OF THE HOSPITAL AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US LLP FOR FINAL REVIEW. PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF TRUSTEES BY WEB PORTAL.

FORM 990, PART VI, SECTION B, LINE 12C:

GREENWICH HOSPITAL IS COVERED UNDER THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY. THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC:R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES. THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER. COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT. THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT HE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST. FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS.

FORM 990, PART VI, SECTION B, LINE 15:

COMPENSATION PROCESS FOR TOP OFFICIALS:

Name of the organization GREENWICH HOSPITAL | Employer identification number 06-0646659

THE TOP OFFICIAL IS AN EMPLOYEE OF YNHHS. THE EXECUTIVE COMPENSATION COMMITTEES OF GREENWICH HOSPITAL AND YNHHS STRIVE TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEES ARE RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR THEIR RESPECTIVE CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR RESPECTIVE CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL GREENWICH HOSPITAL AND YNHHS BOARDS ON AN ANNUAL BASIS. IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEES EXPRESSLY DETERMINE THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE EXECUTIVE COMPENSATION COMMITTEES CONSIST OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEES. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEES IN THEIR COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT,NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEES. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS. THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEES ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEES, AND PROVIDED TO THE BOARDS OF YNHHS AND THE HOSPITAL.

FORM 990, PART VI, SECTION B, LINE 15B:

Name of the organization GREENWICH HOSPITAL | Employer identification number 06-0646659

COMPENSATION PROCESS FOR OFFICERS

CERTAIN OFFICERS ARE EMPLOYEES OF YNHHS, OTHER OFFICERS ARE EMPLOYED DIRECTLY BY THE HOSPITAL. COMPENSATION DETERMINATIONS OF YNHHS EMPLOYEES ARE MADE BOTH BY THE COMPENSATION COMMITTEES AND BOARDS OF YNHHS AND THE HOSPITAL. COMPENSATION DETERMINATION OF THE HOSPITAL EMPLOYEES ARE MADE BY THE HOSPITAL'S COMPENSATION COMMITTEE AND BOARD. THE EXECUTIVE COMPENSATION COMMITTEES OF GREENWICH HOSPITAL AMD YNHHS STRIVE TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW. THE EXECUTIVE COMPENSATION COMMITTEES ARE RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL THEIR RESPECTIVE CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL GREENWICH HOSPITAL AND YNHHS BOARD ON AN ANNUAL BASIS, AS APPLICABLE. IN ADDITION, THE EXECUTIVE COMPENSATION COMMITTEES, AS APPLICABLE, EXPRESSLY DETERMINE THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS. THE EXECUTIVE COMPENSATION COMMITTEES CONSIST OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEES. THE COMPARABILITY DATA USED TO ASSIST THE EXECUTIVE COMPENSATION COMMITTEES IN THEIR COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE EXECUTIVE COMPENSATION COMMITTEES. THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS.

THE DELIBERATIONS AND DECISIONS OF THE EXECUTIVE COMPENSATION COMMITTEES ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE EXECUTIVE COMPENSATION COMMITTEES, AND PROVIDED TO THE BOARDS OF YNHHS AND/OR THE HOSPITAL, AS APPLICABLE.

FORM 990, PART VI, SECTION C, LINE 19:

ANY AVAILABLE COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT. OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY THE LEGAL AND RISK SERVICES DEPARTMENT. THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE. COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART IX, LINE 11G, OTHER FEES:

LAUNDERING SERVICE:

PROGRAM SERVICE EXPENSES	1,091,350.
MANAGEMENT AND GENERAL EXPENSES	30,612.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,121,962.

OTHER PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	10,074,998.
MANAGEMENT AND GENERAL EXPENSES	37,075,803.
FUNDRAISING EXPENSES	130,535.
TOTAL EXPENSES	47,281,336.

OTHER PROFESSIONAL FEES:

Name of the organization GREENWICH HOSPITAL | Employer identification number 06-0646659

PROGRAM SERVICE EXPENSES	10,464,521.
MANAGEMENT AND GENERAL EXPENSES	1,513,513.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	11,978,034.
TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A	60,381,332.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

PENSION ADJUSTMENT	-9,492,000.
AMORTIZATION	-71,000.
TRANSFERS TO AFFILIATES	-11,614,000.
ASSETS RELEASED FOR OPERATIONS	-3,010,000.
RESTRICTED CONTRIBUTIONS	7,999,000.
REALIZED GAIN ON INVESTMENTS	1,103,000.
CHANGE IN FOUNDATION NET ASSETS	-3,801,595.
CHANGE IN AUXILIARY NET ASSETS	97,772.
MISCELLANEOUS	-422.
BOOK TO TAX ITEMS - SEE SCH D, PART XI	673,629.
TOTAL TO FORM 990, PART XI, LINE 9	-18,115,616.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990

OMB No. 1545-0047

2013

Open to Public Inspection

Name of the organization GREENWICH HOSPITAL

Employer identification number 06-0646659

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
900 KING STREET ASSOCIATES, LLC - 26-0805259 5 PERRYRIDGE ROAD GREENWICH, CT 06830	BUILDING OPERATIONS	CONNECTICUT	0.	0.	GREENWICH HOSPITAL
GREENWICH CLINICAL PATHOLOGY ASSOCIATES, LLC - 26-2455578, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CONNECTICUT	1,303,060.	251,548.	GREENWICH HOSPITAL
GREENWICH PATHLOGY ASSOCIATES, LLC - 06 6140101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CONNECTICUT	3,418,510.	643,708.	GREENWICH HOSPITAL

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
BRIDGEPORT HOSPITAL - 06-0646554 267 GRANT STREET BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES (MERGED 5/2014) 06-1066729, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X
BRIDGEPORT HOSPITAL AUXILIARY INC - 06-6042500, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	SEE PART VII	X	
BRIDGEPORT HOSPITAL FOUNDATION, INC - 22-2908698, 267 GRANT STREET, BRIDGEPORT, CT 06610	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 7	SEE PART VII	X	

DOHP2610

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
CARITAS INSURANCE - 03-0322238 40 MAIN STREET BURLINGTON, VT 05401	INSURANCE	VERMONT	501C3	LINE 11A, I	YALE NEW HAVEN HOSPITAL	X	
NORMA F PFREIM BREAST CANCER INC (MERGED 2/2014) - 06-0567752, 111 BEACH ROAD, FAIRFIELD, CT 06430	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	BRIDGEPORT HOSPITAL	X	
NORTHEAST MEDICAL GROUP INC - 06-1330992 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 9	YALE NEW HAVEN HEALTH SERVICES CORP	X	
NORTHEAST MEDICAL GROUP, PLLC - 35-2380180 226 MILL HILL AVENUE BRIDGEPORT, CT 06610	HEALTHCARE	CONNECTICUT	501C3	LINE 11A, I	NORTHEAST MEDICAL GROUP, INC	X	
PERRYRIDGE CORPORATION - 06-1207316 5 PERRYRIDGE ROAD GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	
SCHS PROPERTIES INC - 06-1297708 267 GRANT STREET BRIDGEPORT, CT 06610	TITLE HOLDING	CONNECTICUT	501C2		SEE PART VII	X	
THE GREENWICH HOSPITAL ENDOWMENT FUND INC - 06-1526642, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	GREENWICH HEALTH CARE SERVICES INC.	X	
YALE NEW HAVEN HEALTH SERVICES CORP - 22-2529464, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	N/A		X
YALE-NEW HAVEN CARE CONTINUUM CORP - 45-5235566, 789 HOWARD AVE, NEW HAVEN, CT 06519	NURSING HOME	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
YALE-NEW HAVEN HOSPITAL - 06-0646652 20 YORK STREET NEW HAVEN, CT 06504	HEALTHCARE	CONNECTICUT	501C3	LINE 3	SEE PART VII	X	
YNH NETWORK CORP (MERGED 5/2014) - 06-1513687, 789 HOWARD AVE, NEW HAVEN, CT 06519	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE NEW HAVEN HEALTH SERVICES CORP		X
GREENWICH HEALTH CARE SERVICES INC - 22-2593399, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11B, II	YALE NEW HAVEN HEALTH SERVICES CORP		X

DOHP2611

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization? Yes	(g) No
BRIDGEPORT HOSPITAL FRIENDS OF PEDIATRICS, INC. - 06-6048427, 120 COLUMBINE DRIVE, TRUMBULL, CT 06611	SYSTEM SUPPORT	CONNECTICUT	501C3	LINE 11A, I	YALE-NEW HAVEN HOSPITAL	X	

DOHP2612

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Part III **Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
SHORELINE SURGERY CENTER LLC - 90-0110459, 60 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
SSC II LLC - 26-1709382 111 GOOSE LANE GUILFORD, CT 06437	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
ORTHOPAEDIC & NEUROSURGERY CENTER - 27-3477197, 55 HOLLY HILL LANE, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) No
GREENWICH FERTILITY & IVF PC - 30-0145464 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH HEALTH SERVICES INC - 06-1233643 5 PERRYRIDGE ROAD GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH INTEGRATIVE MEDICINE (DISSOLVED 9/22/2014) - 26-0236411, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH OCCUPATIONAL HEALTH SERV NY - 06-1540101, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NY	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH PEDIATRIC SERVICES PC (DISSOLVED 9/22/2014) - 74-3054409, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
MEDICAL CENTER PHARMACY - 06-1087673 50 YORK STREET NEW HAVEN, CT 06511	PHARMACY	CT	N/A	C CORP	N/A	N/A	N/A	X	
MEDICAL CENTER REALTY - 06-1110858 50 YORK STREET NEW HAVEN, CT 06511	RENTAL	CT	N/A	C CORP	N/A	N/A	N/A	X	
YALE NEW HAVEN AMBULATORY SERVICES - 06-1398526, 40 TEMPLE STREET, NEW HAVEN, CT 06510	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
YNHH-PHYSICIANS CORP - 06-1202305 789 HOWARD AVE NEW HAVEN, CT 06519	ADMINISTRATIVE SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
YNHHS-MSO INC - 06-1467717 789 HOWARD AVE NEW HAVEN, CT 06519	MANAGEMENT SERVICES	CT	N/A	C CORP	N/A	N/A	N/A	X	
YORK ENTERPRISES INC - 06-1110937 50 YORK STREET NEW HAVEN, CT 06511	TITLE HOLDING	CT	N/A	C CORP	N/A	N/A	N/A	X	
GREENWICH OCCUPATIONAL HEALTH SERVICES NJ - 45-3833883, 5 PERRYRIDGE ROAD, GREENWICH, CT 06830	HEALTHCARE	NJ	N/A	C CORP	219,786.	118,276.	100.00%	X	
LUKAN INDEMNITY COMPANY - 98 1072793 58 PAR-LA-VALLIS RD HAMILTON, BERMUDA	INSURANCE	BERMUDA	N/A	C CORP	N/A	N/A	N/A	X	
PRIMARYNET OF CONNECTICUT, INC. - 06-1463534 789 HOWARD AVE NEW HAVEN, CT 06519	HEALTHCARE	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY FINANCIAL SERVICES, INC. - 06-1110797, 23 MAIDEN LANE, NORTH HAVEN , CT 06473	DEBT COLLECTION	CT	N/A	C CORP	N/A	N/A	N/A	X	
CENTURY MANAGEMENT SERVICES, INC. - 06-1303173, 23 MAIDEN LANE, NORTH HAVEN, CT 06473	RECEIVABLES MNGT	CT	N/A	C CORP	N/A	N/A	N/A	X	

DOHP2614

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c		X
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q	X	
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) YALE NEW HAVEN HEALTH SERVICES CORP	M	46,393,443.	COMPARABLE MARKET VALUE
(2) YALE NEW HAVEN HEALTH SERVICES CORP	P	5,647,266.	COMPARABLE MARKET VALUE
(3) GREENWICH HEALTH CARE SERVICES, INC.	R	10,300,000.	CASH/NET ASSET TRANSFER
(4) GREENWICH HEALTH CARE SERVICES, INC.	P	17,650.	CASH
(5) GREENWICH HEALTH CARE SERVICES, INC.	L	1,294,835.	CASH
(6) GREENWICH HOSPITAL ENDOWMENT FUND	S	4,203,364.	COMPARABLE MARKET VALUE

DOHP2615

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(7)GREENWICH HOSPITAL ENDOWMENT FUND	Q	15,625.	COMPARABLE MARKET VALUE
(8)PERRYRIDGE CORPORATION	K	1,152,120.	COMPARABLE MARKET VALUE
(9)PERRYRIDGE CORPORATION	Q	47,870.	ACTUAL COST
(10)PERRYRIDGE CORPORATION	L	36,336.	COMPARABLE MARKET VALUE
(11)PERRYRIDGE CORPORATION	S	1,011,559.	CASH
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

DOHP2616

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners sec. 501(c)(3) orgs.? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

DOHP2617

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

PART II (F), DIRECT CONTROLLING ENTITY OF TAX-EXEMPT ORGANIZATIONS:

BRIDGEPORT HOSPITAL -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL AUXILIARY INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

BRIDGEPORT HOSPITAL FOUNDATION, INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

SOUTHERN CT HEALTH SYSTEM PROPERTIES INC -

BRIDGEPORT HOSP & HEALTHCARE SERVICES 10/1/13-5/16/14

BRIDGEPORT HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN CARE CONTINUUM CORP -

YNH NETWORK CORP 10/1/13-5/16/14

YALE-NEW HAVEN HOSPITAL 5/17/14 - 9/30/14

YALE-NEW HAVEN HOSPITAL -

YNH NETWORK CORP 10/1/13-5/16/14

YALE NEW HAVEN HEALTH SERVICES CORPORATION 5/17/14 - 9/30/14

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493226016354

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
BRIDGEPORT HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
267 GRANT STREET

City or town, state or country, and ZIP + 4
BRIDGEPORT, CT 06610

D Employer identification number
06-0646554

E Telephone number
(203)688-6679

G Gross receipts $ 463,067,825

F Name and address of principal officer
PATRICK MCCABE
267 GRANT ST
BRIDGEPORT, CT 06610

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW BRIDGEPORTHOSPITAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1878

M State of legal domicile CT

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	2,898
6	Total number of volunteers (estimate if necessary)	6	296
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	584,088
b	Net unrelated business taxable income from Form 990-T, line 34	7b	34,355

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	2,774,608	3,168,483
9	Program service revenue (Part VIII, line 2g)	420,615,529	418,827,196
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,516,983	1,109,678
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,972,534	19,795,595
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	438,979,654	442,900,952
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	11,000	25,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	198,130,576	200,565,110
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	210,631,559	212,005,256
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	408,773,135	412,595,366
19	Revenue less expenses Subtract line 18 from line 12	30,206,519	30,305,586

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	389,784,478	437,250,967
21	Total liabilities (Part X, line 26)	266,526,575	264,449,007
22	Net assets or fund balances Subtract line 21 from line 20	123,257,903	172,801,960

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 2014-08-07

PATRICK MCCABE SRVP,CFO & TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CHRISTOPHER B BOGGS				P00032493

Firm's name ▶ ERNST & YOUNG US LLP — Firm's EIN ▶ 34-6565596

Firm's address ▶ 111 MONUMENT CIRCLE SUITE 4000
INDIANAPOLIS, IN 46204 — Phone no (317) 681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☑ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission

TO OPERATE AN ACUTE CARE HOSPITAL IN BRIDGEPORT, CONNECTICUT FOR THE CARE AND TREATMENT OF PERSONS SUFFERING FROM DISEASE OR OTHER PHYSICAL OR MENTAL CONDITIONS WITHOUT REGARD TO RACE,COLOR, CREED, SEX, AGE OR ABILITY TO PAY

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 342,975,096 including grants of $ 25,000) (Revenue $ 438,306,251)

SCHEDULE OBRIDGEPORT HOSPITAL, FOUNDED IN 1878, IS A 383-BED URBAN TEACHING HOSPITAL SERVING NEARLY 18,500 INPATIENTS AND MORE THAN 240,000 OUTPATIENT ENCOUNTERS IN 2013 A MEMBER OF THE YALE NEW HAVEN HEALTH SYSTEM SINCE 1996, BRIDGEPORT HOSPITAL IS THE SITE OF THE CONNECTICUT BURN CENTER, THE JOEL E SMILOW HEART INSTITUTE THE NORMA F PFRIEM CANCER INSTITUTE AND BREAST CARE CENTER, THE WOMEN'S CARE CENTER, CENTER FOR WOUND HEALING & HYPERBARIC MEDICINE, AND AHLBIN CENTERS FOR REHABILITATION MEDICINE BRIDGEPORT HOSPITAL IS ALSO HOME TO THE SECOND INPATIENT CAMPUS OF YALE-NEW HAVEN CHILDREN'S HOSPITAL DURING FISCAL YEAR 2013, BRIDGEPORT HOSPITAL PROVIDED APPROXIMATELY $71 8 MILLION DOLLARS IN COMMUNITY BENEFITS THIS FIGURE INCLUDES $47 3 MILLION DOLLARS IN CHARITY CARE (AT COST) AND UNDER REIMBURSED MEDICAID (AT COST), $19 5 MILLION IN HEALTH PROFESSIONS EDUCATION, AND OVER $4 9 MILLION IN COMMUNITY HEALTH IMPROVEMENT AND EDUCATION ACTIVITIES, SUBSIDIZED SERVICES, RESEARCH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS AN ADDITIONAL $91,000 DOLLARS WAS PROVIDED IN THE AREA OF COMMUNITY BUILDING ACTIVITIES, WHICH INCLUDED SUPPORT FOR ECONOMIC DEVELOPMENT, ENVIRONMENTAL IMPROVEMENTS, WORKFORCE DEVELOPMENT, ADVOCACY AND COALITION BUILDING BRIDGEPORT HOSPITAL HAS INVESTED A SIGNIFICANT AMOUNT OF TIME AND RESOURCES IN THE DEVELOPMENT AND IMPLEMENTATION OF PUBLIC HEALTH PROJECTS TO IMPROVE HEALTH AND INCREASE ACCESS

(Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses ▶** 342,975,096

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		No
c	An entity of which a current or former officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	890		
b	Enter the number of Forms W-2G included in line 1a *Enter -0- if not applicable*	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,898		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	18		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?				No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?				No
6	Did the organization have members or stockholders?			Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			Yes	
b	Each committee with authority to act on behalf of the governing body?			Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*				No

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶MICHAEL KRAHN 789 HOWARD AVENUE NEW HAVEN, CT (203)688-6679

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								6,413,767	2,740,908	1,681,107

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶272

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
UNITEX TEXTILE RENTAL , 155 SOUTH TERRACE AVE MOUNT VERNON NY 10550	LAUNDRY/SERVICE	2,374,793
SECURITAS SECURITY SERVICES , PO BOX 409412 ATLANTA GA 30384	SECURITY	2,196,109
NURSEFINDERS INC , PO BOX 910738 DALLAS TX 753910738	MEDICAL SERVICE	2,016,768
GE HEALTHCARE INC , PO BOX 96483 CHICAGO IL 60693	MEDICAL SERVICE	1,919,592
NOVAMED , 30 NUTMEG DRIVE TRUMBULL CT 06611	BIOMEDICAL SVC	1,854,128
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶160		

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . . ☐

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations . . . 1d				
	e Government grants (contributions) 1e 3,168,483				
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f $				
	h **Total.** Add lines 1a-1f . . . . . ▶	3,168,483			
Program Service Revenue		Business Code			
	2a INPATIENT REVENUE	621990	241,403,196	241,403,196	
	b OUTPATIENT REVENUE	621990	176,839,912	176,839,912	
	c LABORATORY SERVICES	621500	490,111	490,111	
	d RESEARCH SERVICES	541700	93,977	93,977	
	e				
	f All other program service revenue				
	g **Total.** Add lines 2a-2f . . . . . ▶		418,827,196		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		289,212		289,212
	4 Income from investment of tax-exempt bond proceeds . . ▶				
	5 Royalties . . . . . ▶				
		(i) Real	(ii) Personal		
	6a Gross rents	1,183,128			
	b Less rental expenses	866,598			
	c Rental income or (loss)	316,530			
	d Net rental income or (loss) . . . . . ▶		316,530		316,530
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory	20,112,991	7,750		
	b Less cost or other basis and sales expenses	19,300,275	0		
	c Gain or (loss)	812,716	7,750		
	d Net gain or (loss) . . . . . ▶		820,466		820,466
	8a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c) See Part IV, line 18 . . a				
	b Less direct expenses . . . b				
	c Net income or (loss) from fundraising events . . ▶				
	9a Gross income from gaming activities See Part IV, line 19 . . . a				
	b Less direct expenses . . . b				
	c Net income or (loss) from gaming activities . . ▶				
	10a Gross sales of inventory, less returns and allowances . a				
	b Less cost of goods sold . . b				
	c Net income or (loss) from sales of inventory . . ▶				
	Miscellaneous Revenue	Business Code			
	11a PEDIATRIC ANCILLARY REVENUE	900099	9,568,831	9,568,831	
	b CAFETERIA/VENDING OTHER OPERATING	900099	4,146,829	4,146,829	
	c IT MEANINGFUL USE	900099	3,586,737	3,586,737	
	d All other revenue		2,176,668	2,176,668	
	e **Total.** Add lines 11a-11d . . . . . ▶		19,479,065		
	12 **Total revenue.** See Instructions . . . . . ▶		442,900,952	437,722,173	584,088

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX . . . . . ☑

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	75,000	75,000		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	4,538,305		4,538,305	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	148,546,265	120,383,026	28,163,239	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,232,841	981,925	250,916	
9 Other employee benefits	35,299,015	28,541,216	5,757,799	
10 Payroll taxes	10,948,684	8,720,331	2,228,353	
11 Fees for services (non-employees)				
a Management				
b Legal	1,546,536	1,231,774	314,762	
c Accounting	419,577	334,182	85,395	
d Lobbying	113,213	113,213		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	89,358,065	76,874,031	12,484,034	
12 Advertising and promotion				
13 Office expenses	9,446,547	7,522,193	1,924,354	
14 Information technology				
15 Royalties				
16 Occupancy	19,385,468	15,447,895	3,937,573	
17 Travel	541,617	422,461	119,156	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,665,007	1,326,133	338,874	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	22,793,664	18,154,538	4,639,126	
23 Insurance	1,028,085	878,339	149,746	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEDICAL SUPPLIES	47,722,105	47,722,105		
b OTHER PROFESSIONAL FEES	10,443,592	8,312,951	2,130,641	
c YNHHS SYSTEM SUPPORT FE	5,032,091	4,007,925	1,024,166	
d OTHER MISC EXPENSES	877,008	675,471	201,537	
e All other expenses	1,632,681	1,300,387	332,294	
25 **Total functional expenses.** Add lines 1 through 24e	412,595,366	342,975,096	69,620,270	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet
Check if Schedule O contains a response to any question in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		8,000	1	8,000
	2	Savings and temporary cash investments		29,560,746	2	30,118,829
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		42,982,977	4	51,432,238
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,617,848	8	4,271,378
	9	Prepaid expenses and deferred charges		25,463,841	9	52,164,171
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 428,109,618			
	b	Less accumulated depreciation	10b 285,401,858	127,935,771	10c	142,707,760
	11	Investments—publicly traded securities		11,742,894	11	24,738,696
	12	Investments—other securities See Part IV, line 11		39,304,780	12	29,927,000
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		109,167,621	15	101,882,895
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		389,784,478	16	437,250,967
Liabilities	17	Accounts payable and accrued expenses		41,239,465	17	46,244,843
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		40,298,906	20	37,740,706
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		10,946,983	23	18,666,198
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		174,041,221	25	159,797,260
	26	**Total liabilities.** Add lines 17 through 25		266,526,575	26	264,449,007
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		74,553,766	27	123,039,209
	28	Temporarily restricted net assets		28,832,421	28	28,974,601
	29	Permanently restricted net assets		19,871,716	29	20,788,150
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		123,257,903	33	172,801,960
	34	Total liabilities and net assets/fund balances		389,784,478	34	437,250,967

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	442,900,952
2	Total expenses (must equal Part IX, column (A), line 25)	2	412,595,366
3	Revenue less expenses Subtract line 2 from line 1	3	30,305,586
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	123,257,903
5	Net unrealized gains (losses) on investments	5	2,764,711
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	16,473,759
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	172,801,960

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

DOHP2618A012

Additional Data

Software ID:
Software Version:
EIN: 06-0646554
Name: BRIDGEPORT HOSPITAL

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MEREDITH B REUBEN CHAIRMAN/DIRECTOR	1.00 4.00	X		X				0	0	0
PETER F HURST VICE CHAIRMAN/DIRECTOR	1.00 3.00	X		X				0	0	0
GEORGE P CARTER VICE CHAIRMAN/DIRECTOR	1.00 3.00	X		X				0	0	0
RICHARD HOYT VICE CHAIRMAN/DIRECTOR	1.00 3.00	X		X				0	0	0
HOWARD TAUBIN VICE CHAIRMAN/DIRECTOR	1.00 3.00	X		X				0	0	0
NEWMAN M MARSILIUS III VICE CHAIRMAN/DIRECTOR	1.00 3.00	X		X				0	0	0
WILLIAM M JENNINGS PRESIDENT & CEO/DIRECTOR	26.00 14.00	X		X				557,422	305,534	253,206
GAYLE L CAPOZZALO DIRECTOR	4.00 36.00	X						114,652	1,031,872	161,371
JOHN FALCONI DIRECTOR	1.00 3.00	X						0	0	0
RUSSELL FUCHS DIRECTOR	1.00 3.00	X						0	0	0
JANET M HANSEN DIRECTOR	1.00 3.00	X						0	0	0
MICK MAURER DIRECTOR	1.00 3.00	X						0	0	0
STEPHEN MARSHALKO DIRECTOR	1.00 3.00	X						105,329	0	0
PATRICIA L MCDERMOTTTHRU 813 DIRECTOR	1.00 3.00	X						0	0	0
FRED MCKINNEY DIRECTOR	1.00 3.00	X						0	0	0
RONALD B NOREN DIRECTOR	1.00 4.00	X						0	0	0
DUNCAN M O'BRIEN JR DIRECTOR	1.00 3.00	X						0	0	0
PETER TORTORA DIRECTOR	1.00 3.00	X						0	0	0
GARY ZIMMERMAN DIRECTOR	1.00 3.00	X						27,300	0	0
MICHAEL IVY SENIOR VP	38.00 2.00				X			383,830	0	47,436
MARYELLEN KOSTURKO SENIOR VP	39.00 1.00				X			315,002	0	34,139
CAROLYN SALSGIVER SENIOR VP	38.00 2.00				X			341,984	0	132,425
MELISSA TURNER SENIOR VP	20.00 20.00				X			165,513	165,513	110,916
PATRICK MCCABE SENIOR VP, CFO & TREASURER	18.00 22.00				X			259,551	317,224	174,067
MARC BRUNETTI OTHER VP	39.00 1.00				X			224,316	0	56,310

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RYAN O'CONNELL OTHER VP	1 00 39 00			X				0	267,102	44,679
PATRICK SCHMINCKE OTHER VP	39 00 1 00			X				215,860	0	41,958
JOHN SKELLY OTHER VP	38 00 2 00			X				562,297	0	164,783
NORMAN G ROTH EXECTIVE VP, COO & SEC	32 00 8 00			X				580,966	145,241	181,493
MICHAEL WERDMANN PHYSICIAN	40 00 0 00					X		364,180	0	33,019
JONATHAN MAISEL PHYSICIAN	40 00 0 00					X		349,002	0	46,027
ROCKMAN FERRIGNO PHYSICIAN	40 00 0 00					X		298,090	0	38,048
THOMAS LAMONTE PHYSICIAN	40 00 0 00					X		323,154	0	46,558
GUILLERMO KATIGBAK PHYSICIAN	40 00 0 00					X		314,016	0	44,299
JOSEPH JANELL132012 FORMER OFFICER	0 00 0 00						X	600,241	0	10,823
ROBERT J TREFRY THRU 92010 FORMER OFFICER	0 00 0 00						X	301,062	0	0
BRUCE MCDONALD THRU 92/2012 FORMER OFFICER	0 00 0 00						X	0	508,422	59,550

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of monetary support
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) 14

15 Public support percentage for 2011 Schedule A, Part II, line 14 15

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2012

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If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
BRIDGEPORT HOSPITAL	06-0646554

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $

3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c Media advertisements?		No	0
d Mailings to members, legislators, or the public?	Yes		500
e Publications, or published or broadcast statements?		No	0
f Grants to other organizations for lobbying purposes?		No	0
g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		67,156
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	0
i Other activities?	Yes		45,557
j Total Add lines 1c through 1i			113,213
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**	2a	
a	Current year	2b	
b	Carryover from last year	2c	
c	Total	3	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	5	
5	Taxable amount of lobbying and political expenditures (see instructions)		

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE AMOUNT REPORTED IN "OTHER ACTIVITIES" REPRESENTS A PORTION OF PROFESSIONAL DUES ATTRIBUTABLE TO LOBBYING DURING 2013. THE HEALTH SYSTEM OFFICIALS HAD MEETINGS AND CONTACTS WITH STATE GOVERNMENT OFFICIALS, INCLUDING STATE LEGISLATURES AND THEIR STAFF TO DISCUSS VARIOUS HEALTH CARE REFORM PROPOSALS. BRIDGEPORT HOSPITAL HAS CERTAIN STAFF MEMBERS THAT LOBBY ON BEHALF OF THE HOSPITAL ON VARIOUS HEALTHCARE ISSUES. BRIDGEPORT HOSPITAL IS PART OF A CONTROLLED GROUP WITH THE FOLLOWING LOBBYING EXPENSES: YALE NEW HAVEN HOSPITAL EIN 06-0646652 $ 537,753 GREENWICH HOSPITAL EIN 06-0646659 $ 89,757

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	37,606,000	34,442,000	32,083,000	26,634,000	28,740,000
b Contributions	3,504,000	874,000	1,805,000	5,076,000	1,551,000
c Net investment earnings, gains, and losses	2,097,000	2,394,000	1,209,000	1,260,000	-2,608,000
d Grants or scholarships					
e Other expenditures for facilities and programs	-1,347,000	-104,000	-655,000	-887,000	-1,049,000
f Administrative expenses					
g End of year balance	41,860,000	37,606,000	34,442,000	32,083,000	26,634,000

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 50 000 %
- c Temporarily restricted endowment ▶ 50 000 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,654,817		1,654,817
b Buildings		121,185,522	100,682,894	20,502,628
c Leasehold improvements		132,121,153	69,995,619	62,125,534
d Equipment		153,670,845	114,723,345	38,947,500
e Other		19,477,281		19,477,281
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				142,707,760

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) HEDGE FUNDS	559,000	F
(B) YALE ENDOWMENT POOL	29,368,000	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶	29,927,000	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	617,316
(2) DEFERRED ISSUANCE COSTS	862,487
(3) INTEREST IN FOUNDATION, INC	60,013,552
(4) OTHER RECEIVABLES	1,517,790
(5) THIRD PARTY RECEIVABLES	6,152,566
(6) PROFESSIONAL LIABILITIES INSURANCE RECOVERIES RECEIVABLES	32,719,074
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	101,882,895

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
SELF INSURANCE	17,306,787
ASSET RETIREMENT OBLIGATIONS	12,076,027
PENSION OBLIGATION	36,719,602
THIRD PARTY PAYABLE	17,846,949
DUE TO AFFILIATES	18,128,821
MALPRACTICE GROSS LIABILITY	32,719,074
NOTES PAYABLE	25,000,000
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	159,797,260

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	445,680,480
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	6,141,230		
e	Add lines 2a through 2d			2e	6,141,230
3	Subtract line 2e from line 1			3	439,539,250
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	3,361,703		
c	Add lines 4a and 4b			4c	3,361,703
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)			5	442,900,953

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	409,233,663
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	866,598		
e	Add lines 2a through 2d			2e	866,598
3	Subtract line 2e from line 1			3	408,367,065
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b	4,228,301		
c	Add lines 4a and 4b			4c	4,228,301
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)			5	412,595,366

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	INTENDED USES FOR ENDOWMENT FUNDS THE ENDOWED FUNDS' INTENDED USE IS TO GENERATE INCOME TO SUPPORT BRIDGEPORT HOSPITAL PROGRAM SERVICE FUNCTIONS AND OTHER OPERATIONS IN ACCORDANCE WITH THE BRIDGEPORT HOSPITAL POOLED INVESTMENT POLICY, TO PROVIDE FREE CARE BASED ON DONORS WISHES
PART XI, LINE 2D - OTHER ADJUSTMENTS		NET CHANGE IN INTEREST IN BHF 1,034,710 RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS 1,824,880 RECLASS OTHER OPERATING INCOME RESTRICTED FUNDS TO CHANGE IN NET ASSETS 3,282,339 RECLASS SERP ASSET GAIN/LOSS TO CHANGE IN NET ASSETS -699
PART XI, LINE 4B - OTHER ADJUSTMENTS		RECLASS CONTRIBUTION 3,168,483 RECLASS NET RENTAL INCOME AND EXPENSE 193,220
PART XII, LINE 2D - OTHER ADJUSTMENTS		RECLASS RENTAL EXPENSE 866,598
PART XII, LINE 4B - OTHER ADJUSTMENTS		RECLASS CONTRIBUTION 3,168,483 RECLASS NET RENTAL INCOME 1,059,818

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a Yes	
b	If "Yes," was it a written policy?	1b Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year		
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a Yes	
	☐ 100% ☐ 150% ☐ 200% ☑ Other 25000 0000000000 %		
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b Yes	
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other ____ %		
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4 Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c	
6a	Did the organization prepare a community benefit report during the tax year?	6a Yes	
b	If "Yes," did the organization make it available to the public?	6b Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H		

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)		3,254	33,330,420	17,694,420	15,636,000	3 790 %
b Medicaid (from Worksheet 3, column a)		95,439	108,275,000	76,585,000	31,690,000	7 680 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		98,693	141,605,420	94,279,420	47,326,000	11 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	9	3,311	734,338	0	734,338	0 180 %
f Health professions education (from Worksheet 5)	4	221	27,870,462	8,324,521	19,545,941	4 740 %
g Subsidized health services (from Worksheet 6)	2	6,906	13,278,849	9,684,770	3,594,079	0 870 %
h Research (from Worksheet 7)	2	0	458,122	0	458,122	0 110 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	2	39,052	107,386	0	107,386	0 030 %
j **Total.** Other Benefits	19	49,490	42,449,157	18,009,291	24,439,866	5 930 %
k **Total.** Add lines 7d and 7j	19	148,183	184,054,577	112,288,711	71,765,866	17 400 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	0	12,500	0	12,500	0 %
2	Economic development	1	0	23,832	0	23,832	0 010 %
3	Community support	3	728	49,511	0	49,511	0 010 %
4	Environmental improvements						
5	Leadership development and training for community members			651	0	651	0 %
6	Coalition building	1	0				
7	Community health improvement advocacy						
8	Workforce development	1	1	4,491	0	4,491	0 %
9	Other						
10	Total	7	729	90,985		90,985	0 020 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount 2 5,929,000			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit 3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	157,024,642
6	Enter Medicare allowable costs of care relating to payments on line 5	6	147,414,597
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	9,610,045

Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	1 NONE	NONE			
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year?
1

	Name, address, and primary website address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	BRIDGEPORT HOSPITAL 267 GRANT STREET BRIDGEPORT, CT 06610 WWW BRIDGEPORTHOSPITAL ORG	X	X	X	X			X		N/A	

DOHP2618A028

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group BRIDGEPORT HOSPITAL

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 2012			
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website			
b	☑ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	8b		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

			Yes	No
Financial Assistance Policy				
9	Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	9	Yes	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for free care 250.000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Used FPG to determine eligibility for providing *discounted* care?	11	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400.000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
12	Explained the basis for calculating amounts charged to patients?	12	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☑ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☑ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
13	Explained the method for applying for financial assistance?	13	Yes	
14	Included measures to publicize the policy within the community served by the hospital facility?	14	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☑ The policy was posted on the hospital facility's website			
b	☑ The policy was attached to billing invoices			
c	☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☑ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available upon request			
g	☑ Other (describe in Part VI)			
Billing and Collections				
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	15	Yes	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other similar actions (describe in Part VI)			

DOHP2618A030

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- **d** ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Part VI)

Policy Relating to Emergency Medical Care		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	19	Yes	

If "No," indicate why

- **a** ☐ The hospital facility did not provide care for any emergency medical conditions
- **b** ☐ The hospital facility's policy was not in writing
- **c** ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- **d** ☐ Other (describe in Part VI)

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)			
20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
21 During the tax year, did the hospital facility charge any FAP-eligible individuals to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	21		No
22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?	22		No

- **a** ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- **b** ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- **c** ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- **d** ☑ Other (describe in Part VI)

If "Yes," explain in Part VI

If "Yes," explain in Part VI

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
27

	Name and address	Type of Facility (describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
8		
9		
10		

DOHP2618A032

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 2a, 2b, and 3; Part II; Part III, lines 4, 5, and 9b; Part V, Section A; and Part V, Section B lines 1c, 1j, 4, 5c, 6a, 7, 10, 11, 12a, 14a, 14b, 16a, 17a, 18a, 19a, 19b, 20a, 20b, 21, and 22.

2 **Health assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient selection of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic characteristics it serves.

5 **Promotion of community health.** Provide any other information important or relevant to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **Data for filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6f, 7, 10, 11, 12a, 14a, 16a, 17a, 18a, 19a, 20a, 21, and 22.

Identifier	Return Reference	Explanation
		PART I, LINE 7 COSTING METHODOLOGY EXPLANATION THE HOSPITAL USES A COST ACCOUNTING SYSTEM (TSI) TO CALCULATE THE AMOUNTS PRESENTED IN PART I LINE 7 THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS
	PART III COMMUNITY BUILDING ACTIVITIES	BRIDGEPORT HOSPITAL IS THE LARGEST PRIVATE EMPLOYER IN BRIDGEPORT WITH 2,512 EMPLOYEES IN 2013 THE HOSPITAL HAS TAKEN A LEADERSHIP ROLE IN IMPROVING THE HEALTH IN THE COMMUNITY IT SERVES BY PROVIDING IN-KIND AND FINANCIAL SUPPORT FOR INITIATIVES THROUGHOUT THE GREATER BRIDGEPORT AREA MEMBERS OF THE HOSPITAL'S LEADERSHIP AND MANAGEMENT STAFF ALSO SUPPORT ECONOMIC DEVELOPMENT BY SERVING ON THE BOARDS OF THE BRIDGEPORT REGIONAL BUSINESS COUNCIL, BRIDGEPORT CHAMBER OF COMMERCE, AREA ACTARY CLUBS AND NON-PROFIT CULTURAL VENUES THROUGH THESE ORGANIZATIONS, BRIDGEPORT HOSPITAL ADVOCATES FOR AND FACILITATES INCREASED ECONOMIC DEVELOPMENT FOR THE AREA BRIDGEPORT HOSPITAL, ALONG WITH MANY OTHER HOSPITALS ACROSS THE COUNTRY, UTILIZES THE COMMUNITY BENEFITS INVENTORY FOR SOCIAL ACCOUNTABILITY (CBISA) DATABASE DEVELOPED BY LYON SOFTWARE TO CATALOG ITS COMMUNITY BENEFIT AND COMMUNITY BUILDING ACTIVITIES AND THE GUIDELINES DEVELOPED BY THE CATHOLIC HOSPITAL ASSOCIATION (CHA) IN ORDER TO CATALOG THESE BENEFITS THESE TWO ORGANIZATIONS HAVE ACTED TO DEFINE FOR OVER TWENTY YEARS TO PROVIDE SUPPORT TO NON-FOR-PROFIT HOSPITALS TO DEVELOP AND SUSTAIN EFFECTIVE COMMUNITY BENEFIT PROGRAMS THE MOST RECENT VERSION OF THE CHA GUIDE FOR PLANNING AND REPORTING COMMUNITY BENEFIT DEFINES COMMUNITY BUILDING ACTIVITIES AS PROGRAMS THAT ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, SUCH AS POVERTY, HOMELESSNESS AND ENVIRONMENTAL PROBLEMS THESE ACTIVITIES ARE CATEGORIZED INTO EIGHT DISTINCT AREAS INCLUDING PHYSICAL IMPROVEMENT AND HOUSING, ECONOMIC DEVELOPMENT, COMMUNITY SUPPORT, ENVIRONMENTAL IMPROVEMENTS, LEADERSHIP DEVELOPMENT AND TRAINING FOR COMMUNITY MEMBERS, COALITION BUILDING, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENTS, AND WORKFORCE DEVELOPMENT BRIDGEPORT HOSPITAL'S VISION IS TO BE THE PREFERRED HEALTH-CARE PROVIDER IN THE REGION, AND AS SUCH, THE HOSPITAL IS INCREASINGLY AWARE OF HOW SOCIAL DETERMINANTS IMPACT THE HEALTH OF INDIVIDUALS AND COMMUNITIES A PERSON'S HEALTH AND CHANCES OF BECOMING SICK AND DYING EARLY ARE GREATLY INFLUENCED BY POWERFUL SOCIAL FACTORS SUCH AS EDUCATION, INCOME, NUTRITION, HOUSING AND NEIGHBORHOODS DURING FISCAL YEAR 2013, BRIDGEPORT HOSPITAL PROVIDED $91,000 IN FINANCIAL AND IN-KIND DONATIONS TO SUPPORT JOB TRAINING, ECONOMIC DEVELOPMENT AND OTHER ESSENTIAL SERVICES THE HOSPITAL CONSIDERS THESE INVESTMENTS PART OF IT'S OVERALL COMMITMENT OF BUILDING STRONGER NEIGHBORHOODS EXAMPLES BELOW FOCUS ON THE AREAS OF REVITALIZING OUR NEIGHBORHOODS AND CREATING EDUCATIONAL OPPORTUNITIES REVITALIZING OUR NEIGHBORHOODSSEVERAL YEARS AGO, THE CITY OF BRIDGEPORT ORGANIZED NEIGHBORHOOD REVITALIZATION ZONES (NRZS) IN ORDER TO EXPAND AND IMPROVE BUSINESS AND HOUSING IN LOW-TO-MODERATE INCOME NEIGHBORHOODS OR AREAS WITHIN NEIGHBORHOODS THE NRZS RECEIVED TECHNICAL ASSISTANCE FROM THE CITY AND OUTSIDE CONSULTANTS AND ENGAGES NEIGHBORHOOD RESIDENTS, NON-PROFITS, BUSINESSES AND FAITH-BASED ORGANIZATIONS TO MEET AND FORM STAKEHOLDER GROUPS THESE GROUPS IDENTIFY THE PRIORITIES AND NEEDS OF THE NEIGHBORHOODS AND ARE ELIGIBLE TO BORROW STATE MONEY TO PURCHASE BLIGHTED PROPERTIES OR OFFER LOW-INTEREST LOANS TO QUALIFYING BUSINESSES FOR FACADE IMPROVEMENTS HOSPITAL LEADERSHIP HAS BEEN ACTIVELY ENGAGED IN THE NRZ PROCESS FROM THE ONSET WITH REPRESENTATIVES SERVING ON COMMITTEES ORGANIZED IN THE CITY'S EAST END, EAST SIDE AND MILL HILL NEIGHBORHOODS, WHICH ARE LOCATED NEAR THE HOSPITAL SEVERAL YEARS AGO, AS PART OF THE CITY'S EFFORT TO DEVELOP AN NRZ IN IN THE MILL HILL NEIGHBORHOOD, THE HOSPITAL CREATED WHAT IS NOW CALLED THE BRIDGEPORT HOSPITAL COMMUNITY PARTNERSHIP THIS UNIQUE PROGRAM WAS DEVELOPED TO IMPLEMENT MEASURABLE AND SUSTAINABLE QUALITY OF LIFE ENHANCEMENTS IN THE NEIGHBORHOODS DIRECTLY SURROUNDING THE HOSPITAL OVER 500 NEIGHBORHOOD RESIDENTS RECEIVE INVITATIONS TO ATTEND THE HOSPITAL-SPONSORED MEETINGS WHERE RESIDENTS IDENTIFY ISSUES OR CONCERNS RELATED TO THEIR NEIGHBORHOOD THESE CONCERNS, WHICH RUN THE GAMUT OF FIXING STREET LIGHTS TO INCREASING POLICE PRESENCE, ARE ADDRESSED BY THE CITY OF BRIDGEPORT WITH FACILITATION SUPPORT BY THE HOSPITAL THE HOSPITAL PROVIDES ANNUAL OPERATIONAL SUPPORT TO THE EAST END COMMUNITY COUNCIL A GROUP OF COMMUNITY RESIDENTS, BUSINESS, CIVIC, RELIGIOUS LEADERS AND COMMUNITY POLICE OFFICERS THE EAST END COMMUNITY COUNCIL WORKS COLLABORATIVELY TO ENHANCE THE QUALITY OF LIFE IN THE NEIGHBORHOOD THROUGH VARIOUS INITIATIVES INCLUDING SAFE STREETS, FOOD PANTRIES, ANIMAL CONTROLS AND A LITTLE LEAGUE TEAM BRIDGEPORT HOSPITAL, ALONG WITH OTHER AREA BUSINESSES, IS A FOUNDING MEMBER OF THE SEAVIEW AVENUE BUSINESS ALLIANCE THE SEAVIEW AVENUE BUSINESS ALLIANCE IS A NON-PROFIT ORGANIZATION DEDICATED TO IMPROVING STREETSCAPES AND IMPROVING THE AREA ALONG THE SEAVIEW AVENUE CORRIDOR THE ORGANIZATION ALSO PROVIDES ANNUAL SCHOLARSHIPS TO STUDENTS GRADUATING FROM HARDING HIGH SCHOOL WHO PLAN TO ATTEND COLLEGE IN 2013, THE HOSPITAL PROVIDED FINANCIAL AND IN-KIND SUPPORT FOR THESE EFFORTS CREATING EDUCATIONAL OPPORTUNITIES HIGHER EDUCATIONAL ATTAINMENT IS ASSOCIATED WITH BETTER HEALTH STATUS AND LONGER LIFE FOR EXAMPLE, ADULTS AGED 25 TO 64 YEARS WHO HAVE A COLLEGE DEGREE WILL ON AVERAGE LIVE FIVE YEARS LONGER THAN THOSE WITH LESS THAN A HIGH SCHOOL EDUCATION ACCORDING TO THE BRIDGEPORT CHILD ADVOCACY COALITION, ONLY 33% OF BRIDGEPORT'S GRADUATING CLASS OF 2010 WENT ON TO POST-SECONDARY EDUCATION, COMPARED TO 66% STATEWIDE RESULTS FROM THE CONNECTICUT MASTERY TEST CONSISTENTLY DEMONSTRATE AN ACHIEVEMENT GAP BETWEEN BRIDGEPORT YOUTH AND THEIR STATEWIDE PEERS IN RESPONSE TO THESE STATISTICS BRIDGEPORT HOSPITAL SUPPORTED A VARIETY OF EDUCATIONAL PROGRAMS IN 2013 REFLECTING ITS STRONG COMMITMENT TO THE BRIDGEPORT COMMUNITY AND SUPPORT OF EDUCATION, BRIDGEPORT HOSPITAL CONTINUED MENTORING AND CAREER EXPLORATION OPPORTUNITIES DURING THE YEAR EXAMPLES INCLUDE A PHARMACY INTERNSHIP WITH STRATFORD HIGH SCHOOL AND PARTICIPATION IN CAREER DAY AT COLUMBUS ELEMENTARY SCHOOL AND HARDING HIGH SCHOOL, BOTH OF WHICH ARE LOCATED IN BRIDGEPORT A SCHOOL SUPPLY DRIVE WAS HELD AT THE HOSPITAL FOR STUDENTS AT THE HALL ELEMENTARY SCHOOL, LOCATED IN THE MILL HILL NEIGHBORHOOD OF BRIDGEPORT HOSPITAL EMPLOYEES CONTRIBUTED NOTEBOOKS, BINDERS, BACKPACKS, RULERS, FACHANGES OF PAPER, CRAYONS AND PENCILS AND OTHER ITEMS TO HELP ASSIST THE 350 STUDENTS TO BEGIN THEIR SCHOOL YEAR AS MENTIONED IN THE PREVIOUS SECTION, BRIDGEPORT HOSPITAL, THROUGH THE SEAVIEW AVENUE BUSINESS ALLIANCE, PROVIDED SCHOLARSHIPS TO SENIORS FROM HARDING HIGH SCHOOL WHO WILL BE ATTENDING COLLEGE THE HOSPITAL IS ALSO A MEMBER OF THE BRIDGEPORT CHILD ADVOCACY COALITION, WHICH IS A COALITION OF ORGANIZATIONS, PARENTS AND OTHER CONCERNED INDIVIDUALS COMMITTED TO IMPROVING THE WELL-BEING OF BRIDGEPORT'S CHILDREN THROUGH RESEARCH, ADVOCACY, COMMUNITY EDUCATION AND MOBILIZATION

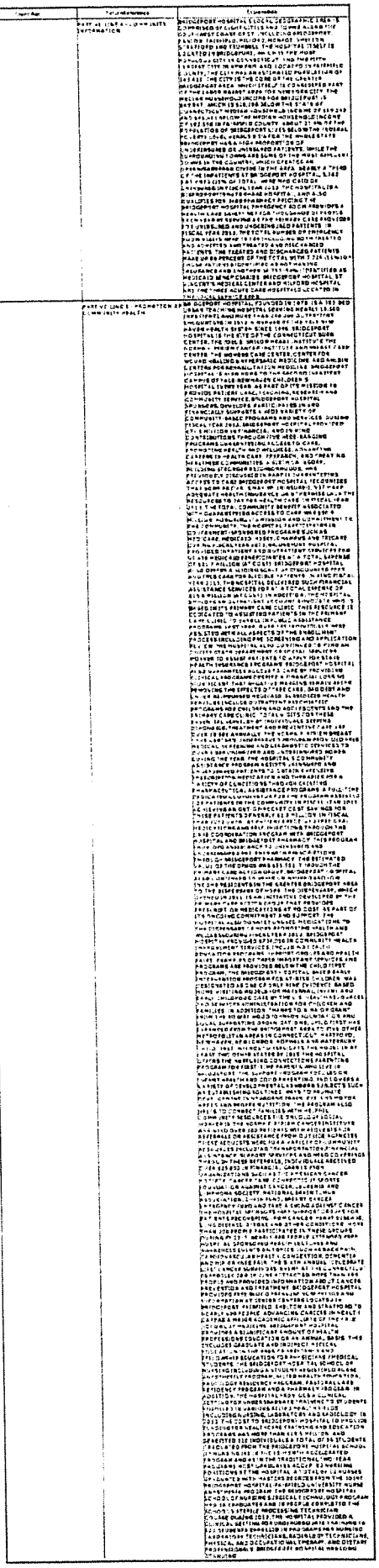
Identifier	ReturnReference	Explanation
		PART III, LINE 4 FOOTNOTE FROM AUDITED FINANCIAL STATEMENTS UNCOMPENSATED CARE AND COMMUNITY BENEFIT EXPENSETHE HOSPITAL'S COMMITMENT TO COMMUNITY SERVICE IS EVIDENCED BY SERVICES PROVIDED TO THE POOR AND BENEFITS PROVIDED TO THE BROADER COMMUNITY SERVICES PROVIDED TO THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTHCARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED THE HOSPITAL MAKES AVAILABLE FREE CARE PROGRAMS FOR QUALIFYING PATIENTS IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE FOR PATIENTS WHO DO NOT AVAIL THEMSELVES OF ANY FREE CARE PROGRAM AND WHOSE ABILITY TO PAY CANNOT BE DETERMINED BY THE HOSPITAL, CARE GIVEN BUT NOT PAID FOR, IS CLASSIFIED AS CHARITY CARE TOGETHER, CHARITY CARE AND BAD DEBT EXPENSE REPRESENT UNCOMPENSATED CARE THE ESTIMATED COST OF TOTAL UNCOMPENSATED CARE IS APPROXIMATELY $22 3 MILLION AND $17 7 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, RESPECTIVELY THE ESTIMATED COST OF UNCOMPENSATED CARE IS BASED ON THE RATIO OF COST TO CHARGES, AS DETERMINED BY CLAIMS ACTIVITY THE ALLOCATION BETWEEN BAD DEBT AND CHARITY CARE IS DETERMINED BASED ON MANAGEMENT'S ANALYSIS ON THE PREVIOUS 12 MONTHS OF HOSPITAL DATA THIS ANALYSIS CALCULATES THE ACTUAL PERCENTAGE OF ACCOUNTS WRITTEN OFF OR DESIGNATED AS BAD DEBT VS CHARITY CARE WHILE TAKING INTO ACCOUNT THE TOTAL COSTS INCURRED BY THE HOSPITAL FOR EACH ACCOUNT ANALYZED THE ESTIMATED COST OF CHARITY CARE PROVIDED WAS $16 4 MILLION AND $11 2 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, RESPECTIVELY THE ESTIMATED COST OF CHARITY CARE IS ESTIMATED USING THE RATIO OF COST TO GROSS CHARGES APPLIED TO THE GROSS UNCOMPENSATED COST ASSOCIATED WITH PROVIDING CHARITY CARE FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, BAD DEBT EXPENSE, AT CHARGES, WAS $15 0 MILLION AND $16 6 MILLION, RESPECTIVELY FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, BAD DEBT EXPENSE, AT COST, WAS $5 9 MILLION AND $6 6 MILLION, RESPECTIVELY THE BAD DEBT EXPENSE IS MULTIPLIED BY THE RATIO OF COST TO CHARGES FOR PURPOSES OF INCLUSION IN THE TOTAL UNCOMPENSATED CARE AMOUNT IDENTIFIED ABOVE THE CONNECTICUT DISPROPORTIONATE SHARE HOSPITAL PROGRAM (CDSHP) WAS ESTABLISHED TO PROVIDE FUNDS TO HOSPITALS FOR THE PROVISION OF UNCOMPENSATED CARE AND IS FUNDED, IN PART, BY A 1% ASSESSMENT ON HOSPITAL NET INPATIENT SERVICE REVENUE DURING THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, THE HOSPITAL RECEIVED $17 7 MILLION AND $20 0 MILLION, RESPECTIVELY, IN DISTRIBUTIONS FROM CDSHP, OF WHICH APPROXIMATELY $12 6 MILLION WAS RELATED TO CHARITY CARE THE HOSPITAL MADE PAYMENTS INTO CDSHP OF $16 9 MILLION AND $16 9 MILLION FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012, RESPECTIVELY, FOR THE 1% ASSESSMENT ADDITIONALLY, THE HOSPITAL PROVIDES BENEFITS FOR THE BROADER COMMUNITY WHICH INCLUDES SERVICES PROVIDED TO OTHER NEEDY POPULATIONS THAT MAY NOT QUALIFY AS POOR BUT NEED SPECIAL SERVICES AND SUPPORT BENEFITS INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION OF THE GENERAL COMMUNITY, INTERNS AND RESIDENTS, HEALTH SCREENINGS, AND MEDICAL RESEARCH THE BENEFITS ARE PROVIDED THROUGH THE COMMUNITY HEALTH CENTERS, SOME OF WHICH SERVICE NON-ENGLISH SPEAKING RESIDENTS, DISABLED CHILDREN, AND VARIOUS COMMUNITY SUPPORT GROUPS THE HOSPITAL VOLUNTARILY ASSISTS WITH THE DIRECT FUNDING OF SEVERAL CITY OF BRIDGEPORT PROGRAMS, INCLUDING AN ECONOMIC DEVELOPMENT PROGRAM AND A YOUTH INITIATIVE PROGRAM IN ADDITION TO THE QUANTIFIABLE SERVICES DEFINED ABOVE, THE HOSPITAL PROVIDES ADDITIONAL BENEFITS TO THE COMMUNITY THROUGH ITS ADVOCACY OF COMMUNITY SERVICE BY EMPLOYEES THE HOSPITAL'S EMPLOYEES SERVE NUMEROUS ORGANIZATIONS THROUGH BOARD REPRESENTATION, MEMBERSHIP IN ASSOCIATIONS AND OTHER RELATED ACTIVITIES THE HOSPITAL ALSO SOLICITS THE ASSISTANCE OF OTHER HEALTHCARE PROFESSIONALS TO PROVIDE THEIR SERVICES AT NO CHARGE THROUGH PARTICIPATION IN VARIOUS COMMUNITY SEMINARS AND TRAINING PROGRAMS
		PART III, LINE 9B COLLECTION PRACTICES EXPLANATION IF, AT ANY TIME, THE HOSPITAL OR A COLLECTION AGENCY OR LAW FIRM, RECEIVES INFORMATION THAT A PATIENT IS OR MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER ONE OF THESE PROGRAMS OR UNDER ANY GOVERNMENTAL OR OTHER PROGRAM, THE HOSPITAL, COLLECTION AGENCY, OR LAW FIRM SHALL, CONSISTENT WITH CONNECTICUT LAW, CEASE COLLECTION EFFORTS UNTIL THE HOSPITAL DETERMINES THE PATIENT'S ELIGIBILITY FOR ASSISTANCE

Identifier	ReturnReference	Explanation
	PART III, LINE 2 - THE METHODOLOGY USED BY THE ORGANIZATION TO ESTIMATE	IN ACCORDANCE WITH THE ESTABLISHED POLICIES OF THE HOSPITAL, DURING THE REGISTRATION, BILLING AND COLLECTION PROCESS A PATIENT'S ELIGIBILITY FOR FREE CARE FUNDS IS DETERMINED FOR PATIENTS WHO WERE DETERMINED BY THE HOSPITAL TO HAVE THE ABILITY TO PAY BUT DID NOT, THE UNCOLLECTED AMOUNTS ARE BAD DEBT EXPENSE THE HOSPITAL'S COST ACCOUNTING SYSTEM UTILIZES PATIENT-SPECIFIC DATA TO ACCUMULATE AND DERIVE COSTS RELATED TO THESE BAD DEBT ACCOUNTS
BRIDGEPORT HOSPITAL		PART V, SECTION B, LINE 3 COMMUNITY ENGAGEMENT AND FEEDBACK WERE AN INTEGRAL PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS BRIDGEPORT HOSPITAL, THROUGH THE PRIMARY CARE ACTION GROUP, SOUGHT INPUT FROM PERSONS WHO REPRESENT THE BROAD INTERESTS OF THE COMMUNITY SERVED BY THE HOSPITAL THROUGH FOCUS GROUPS AND KEY INFORMANT INTERVIEWS WITH COMMUNITY MEMBERS AND COMMUNITY STAKEHOLDERS, AS WELL AS INCLUSION OF AT LEAST EIGHTY COMMUNITY PARTNERS AND RESIDENTS IN THE PRIORITIZATION AND IMPLEMENTATION PLANNING PROCESS PUBLIC HEALTH AND HEALTH CARE PROFESSIONALS SHARED KNOWLEDGE AND EXPERTISE ABOUT HEALTH ISSUES, WHILE LEADERS AND REPRESENTATIVES OF NON-PROFIT AND COMMUNITY-BASED ORGANIZATIONS PROVIDED INSIGHT ON THE COMMUNITY SERVED BY BRIDGEPORT HOSPITAL, INCLUDING MEDICALLY UNDERSERVED, LOW INCOME, AND MINORITY POPULATIONS

Identifier	ReturnReference	Explanation
BRIDGEPORT HOSPITAL		PART V, SECTION B, LINE 4 ST VINCENT'S MEDICAL CENTER, A MEMBER OF ASCENSION HEALTH SYSTEM, ALSO LOCATED IN BRIDGEPORT IS PART OF THE PRIMARY CARE ACTION GROUP, WHICH CONDUCTED THE COMMUNITY HEALTH NEEDS ASSESSMENT
BRIDGEPORT HOSPITAL		PART V, SECTION B, LINE 7 BASED ON THE FEEDBACK FROM COMMUNITY PARTNERS INCLUDING HEALTH PROVIDERS, PUBLIC HEALTH EXPERTS, HEALTH AND HUMAN SERVICE AGENCIES, AND OTHER COMMUNITY REPRESENTATIVES, FOUR HEALTH ISSUES WERE PRIORITIZED CARDIOVASCULAR DISEASE AND DIABETES, OBESITY, MENTAL HEALTH AND SUBSTANCE ABUSE AND ACCESS TO CARE BRIDGEPORT HOSPITAL PLANS TO FOCUS ITS COMMUNITY HEALTH IMPROVEMENT EFFORTS ON ALL FOUR OF THESE AREAS AREAS IDENTIFIED AS PART OF THE COMMUNITY HEALTH NEEDS ASSESSMENT NOT BEING ADDRESSED AS A RESULT OF A PRIORITIZATION PROCESS INCLUDE ABILITY TO CARE FOR THE ELDERLY, ASTHMA, CANCER, DENTAL / ORAL HEALTH, ENVIRONMENTAL ISSUES / CONTAMINATED LANDS, PRENATAL CARE, SEXUAL HEALTH, TOBACCO, TRANSPORTATION AND VIOLENCE BRIDGEPORT HOSPITAL RECOGNIZES THAT PARTNERSHIPS WITH COMMUNITY AGENCIES HAVE THE BROADEST REACH TO IMPROVE COMMUNITY HEALTH ISSUES AS SUCH, THE HOSPITAL IS PROVIDING FACILITATION SUPPORT FOR THE IMPLEMENTATION OF THE COMMUNITY-WIDE HEALTH IMPROVEMENT PLAN THAT WILL FOCUS ON ALL FOUR AREAS IDENTIFIED IN THE COMMUNITY HEALTH NEEDS ASSESSMENT

Identifier	ReturnReference	Explanation
BRIDGEPORT HOSPITAL		PART V, SECTION B, LINE 14G THE FINANCIAL ASSISTANCE PROGRAM WHICH SUMMARIZES THE FINANCIAL ASSISTANCE POLICY WAS POSTED ON THE HOSPITAL FACILITY'S WEBSITE THE FINANCIAL ASSISTANCE POLICY WILL BE POSTED ON THE WEBSITE UPON FILING THE FY 2013 TAX FILING
BRIDGEPORT HOSPITAL		PART V, SECTION B, LINE 20D PRIOR TO BECOMING FAP-ELIGIBLE, ALL INDIVIDUALS ARE CHARGED STANDARD GROSS CHARGES AFTER AN INDIVIDUAL IS DEEMED TO BE FAP-ELIGIBLE, ANY DISCOUNTS OR FREE CARE ASSISTANCE DISCOUNTS ARE APPLIED IN ACCORDANCE WITH THE FAP PROGRAM THE INDIVIDUAL QUALIFIES FOR THE DISCOUNTS ARE ADJUSTED OFF THE PATIENT'S ACCOUNT WHICH IS ALSO REFLECTED IN THE INDIVIDUAL'S BILLING

Identifier	ReturnReference	Explanation
	PART VI, LINE 2 - NEEDS ASSESSMENT	COMMUNITY NEEDS ARE ROUTINELY REVIEWED AND ADDRESSED AS PART OF THE OPERATIONS AND SERVICE LINE TEAMS AT BRIDGEPORT HOSPITAL THESE MULTI-DISCIPLINARY GROUPS PROVIDE ANALYSIS AND INSIGHT INTO PATIENT UTILIZATION TRENDS ACROSS OUR DELIVERY OF CARE AND ARE REVIEWED IN TANDEM WITH CARE MANAGEMENT AND PATIENT SATISFACTION RESULTS AND OTHER COMMUNITY FEEDBACK COUPLED WITH THE RECENTLY COMPLETED COMMUNITY NEEDS ASSESSMENT, THIS INFORMATION ASSISTS WITH THE DEVELOPMENT OF NEW INITIATIVES, PARTNERSHIPS, PROGRAMS AND SERVICES TO BENEFIT OUR COMMUNITY
	PART VI, LINE 3 - PATIENT EDUCATION OF ELIGILE FOR ASSISTANCE	THE BRIDGEPORT HOSPITAL FREE CARE PROGRAM IS OFFERED THROUGH THE FOLLOWING CHANNELS THE BRIDGEPORT HOSPITAL WEB SITE, NEWSPAPER ADVERTISEMENTS, THROUGH A FIRST STATEMENT MAILER SENT TO THE PATIENT, THROUGH THE HOSPITAL'S FRONT ACCESS/REGISTRATION AREAS ON VISIBLE POSTINGS AND COMMUNICATIONS, VISIBLE POSTINGS AND VERBAL COMMUNICATIONS MADE IN THE VIA BILLING AND COLLECTION LINES, AND THROUGH THE FREE CARE DEPARTMENT IF A PATIENT INQUIRIES ABOUT FREE CARE OR NEEDS FINANCIAL ASSISTANCE, AN APPLICATION IS EITHER SENT OR HANDED TO THE PATIENT TO COMPLETE INSTRUCTIONS AND INCOME GUIDELINES ACCOMPANY THE APPLICATION IN THE PACKAGE APPOINTMENTS ARE ALSO AVAILABLE TO ASSIST WITH THE APPLICATION PROCESS AND THE AGENCY AND FREE CARE COORDINATORS ARE READILY AVAILABLE EVERY FOURTH MONDAY OF EACH MONTH IN ADDITION TO THE UNRESTRICTED FREE CARE PROGRAM, THERE ARE ALSO RESTRICTED AND NOMINATED BED FUNDS THAT PATIENTS CAN APPLY FOR IF THEY MEET THE FREE CARE GUIDELINES FREE CARE ALSO INCORPORATES THE DISCOUNTED CARE PROGRAM THE DISCOUNTED CARE PROGRAM IS OFFERED TO PATIENTS WHO HAVE NO INSURANCE AND DO NOT WISH TO APPLY FOR A VALID STATE DENIAL ELIGIBILITY IS BASED ON FAMILY SIZE AND INCOME IF A PATIENT WISHING TO PARTICIPATE MEETS ALL ELIGIBILITY REQUIREMENTS AND GUIDELINES THEN AN APPROVAL LETTER IS SENT TO THE PATIENT IF A PATIENT IS MISSING INFORMATION OR DENIED, A LETTER TO THAT EFFECT IS SENT TO THE PATIENT WITH AN EXPLANATION OF WHAT IS NEEDED IN ORDER TO PROCESS AN APPEAL FREE CARE ELIGIBILITY IS VALID FOR SIX MONTHS FROM THE APPROVAL DATE ON THE LETTER AND DISCOUNTED CARE ELIGIBILITY IS VALID FOR ONE YEAR FROM APPROVAL DATE INDICATED ON LETTER ANY VISITS BY THE PATIENT TO THE HOSPITAL DURING THIS ELIGIBILITY PERIOD WILL BE TRACKED AND WRITTEN-OFF TO THE APPROPRIATE ALLOWANCE CODE



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Identifier	ReturnReference	Explanation
	PART VI, LINE 6 - AFFILIATED HEALTH CARE INFORMATION	THE YALE NEW HAVEN HEALTH SYSTEM'S FUNDAMENTAL MISSION IS TO ENSURE THAT THE DELIVERY NETWORKS ASSOCIATED WITH THE SYSTEM PROMOTE THE HEALTH OF THE COMMUNITIES THEY SERVE AND ENSURE THAT ALL PATIENTS HAVE ACCESS TO APPROPRIATE HEALTHCARE SERVICES THE YALE NEW HAVEN HEALTH SYSTEM REQUIRES ITS HOSPITALS TO INCORPORATE PLANS TO PROMOTE HEALTHY COMMUNITIES WITHIN THE HOSPITAL'S EXISTING BUSINESS PLANS FOR WHICH THEY ARE HELD ACCOUNTABLE IN ADDITION, REGULAR REPORTING ON COMMUNITY BENEFITS IS REQUIRED ON A QUARTERLY BASIS PART VI, LINE 7 - STATE FILING OF COMMUNITY BENEFIT REPORT CONNECTICUT

DOHP2618A041

Additional Data

Software ID:
Software Version:
EIN: 06-0646554
Name: BRIDGEPORT HOSPITAL

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year?
27

Name and address	Type of Facility (describe)
BH CENTER FOR SLEEP MEDICINE 1070 MAIN STREET BRIDGEPORT,CT 06604	SLEEP CENTER
NORMA PFRIEM BREAST CARE CENTER 111 BEACH ROAD FAIRFIELD,CT 06824	SLEEP CENTER
BH BLOOD DRAW 125 KINGS HIGHWAY NORTH WESTPORT,CT 06880	SLEEP CENTER
BRIDGEPORT HOSPITAL OUTPATIENT CARD 1305 POST ROAD FAIRFIELD,CT 06824	SLEEP CENTER
WOUND CAREHYPERBARIC CHAMBER 141 MILL HILL AVENUE BRIDGEPORT,CT 06610	SLEEP CENTER
CHILD FIRST PROGRAM 1470 BARNUM AVENUE STRATFORD,CT 06614	SLEEP CENTER
BRIDGEPORT HOSPITAL BLOOD DRAW STATION 15 CORPORATE DRIVE TRUMBULL,CT 06611	SLEEP CENTER
BH BLOOD DRAW 1825 BARNUM AVENUE STRATFORD,CT 06614	SLEEP CENTER
BRIDGEPORT HOSPITAL OUTPATIENT CARD 25 GERMANTOWN ROAD DANBURY,CT 06810	SLEEP CENTER
BH OUTPATIENT RADIOLOGY MRI 2595 MAIN STREET STRATFORD,CT 06615	SLEEP CENTER
NEWG AHLBIN CENTER REHAB 2600 POST ROAD SOUTHPORT,CT 06824	SLEEP CENTER
AHLBIN REHABILITATION CENTER 2750 RESERVOIR AVENUE TRUMBULL,CT 06611	SLEEP CENTER
NEMG MILL HILL SURGICAL ASSOCIATES 2909 MAIN STREET STRATFORD,CT 06614	SLEEP CENTER
BRIDGEPORT HOSPITAL OUTPATIENT CARD 30 PROSPECT STREET RIDGEFIELD,CT 06877	SLEEP CENTER
BH BLOOD DRAW 3115 MAIN STREET STRATFORD,CT 06614	SLEEP CENTER
AHLBIN REHABILITATION CENTER 3585 MAIN STREET STRATFORD,CT 06614	SLEEP CENTER
AHLBIN CENTER REHAB 4 CORPORATE DRIVE SHELTON,CT 06484	SLEEP CENTER
BH OUTPATIENT RADIOLOGY 425 POST ROAD FAIRFIELD,CT 06824	SLEEP CENTER
BRIDGEPORT PODIATRY CENTER 4605 MAIN STREET BRIDGEPORT,CT 06606	SLEEP CENTER
BH OUTPATIENT RADIOLOGY 4699 MAIN STREET BRIDGEPORT,CT 06606	SLEEP CENTER
BH BLOOD DRAW 4775 MAIN STREET BRIDGEPORT,CT 06610	SLEEP CENTER
CENTER FOR GERIATRICS 55 ARMORY ROAD STRATFORD,CT 06614	SLEEP CENTER
RADIATION THERAPY CENTER 5520 PARK AVENUE TRUMBULL,CT 06611	SLEEP CENTER
AHLBIN REHABILITATION CENTER 80 FERRY BOULEVARD STRATFORD,CT 06614	SLEEP CENTER
THE HUNTINGTON WALK-IN MEDICAL CENTER 887 BRIDGEPORT AVENUE SHELTON,CT 06484	SLEEP CENTER
CENTER FOR GERIATRICS 95 ARMORY ROAD STRATFORD,CT 06614	SLEEP CENTER
CARDIAC SPECIALISTS 999 SILVER LANE TRUMBULL,CT 06611	SLEEP CENTER

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DLN: 93493226016354

OMB No 1545-0047

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☑ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) EAST END COMMUNITY COUNCIL INC 1149 STRATFORD AVE BRIDGEPORT, CT 06607	06-1614075	501(C)(3)	5,000				SUPPORT MISSION
(2) LOVE CHRISTIAN ACADEMY 729 UNION AVENUE BRIDGEPORT, CT 06607	06-1448782	501(C)(3)	5,000				SUPPORT MISSION
(3) P T BARNUM FOUNDATION INC 1070 MAIN ST BRIDGEPORT, CT 06604	22-2655681	501(C)(3)	15,000				SUPPORT MISSION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 3

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
PART I LINE 2 -	DESCRIBE THE ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANT FUND	NONE OF THE AMOUNTS REPORTED ON SCHEDULE I, PART II ARE GRANTS THESE AMOUNTS ARE DONATIONS AND SPONSORSHIPS GIVEN TO ORGANIZATIONS TO ASSIST IN THE FURTHERANCE OF THEIR CHARITABLE MISSION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

DOHP2618A046

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
	PART I, LINE 4B	PART I, LINE 4 - SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS SEVERANCE NONQUALIFIED EQUITY-BASED PATRICK MCCABE $0 $65,125 $0 JOSEPH JANELL $0 $10,466 $0 WILLIAM M JENNINGS $0 $95,633 $0 MELLISSA TURNER $0 $37,518 $0 JOHN SKELLY $0 $63,959 $0 NORMAN ROTH $0 $84,668 $0 CAROLYN SALSGIVER $0 $41,473 $0 THE INDIVIDUALS LISTED ABOVE ARE PARTICIPANTS IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THESE ACCRUALS ARE INCLUDED IN THE AMOUNTS REPORTED IN PART II, COLUMN C (DEFERRED COMPENSATION) AND REPRESENTS BOTH THE REPORTING ENTITY'S AND RELATED ENTITY'S COMBINED AMOUNTS CONSISTENT WITH THE COMPENSATION REPORTING PER IRS INSTRUCTIONS INDIVIDUAL LISTED BELOW BECAME VESTED IN BENEFIT VALUED AT THE AMOUNT RESPECTIVELY REPORTED DURING THE REPORTING YEAR INCLUDED IN SECTION II, COLUMN B (III) IS AMOUNT VESTED DURING THE 2012 CALENDAR YEAR THAT WAS RECOGNIZED AS TAXABLE EVENT AND REPORTED IN THE INDIVIDUAL'S 2012 CALENDAR YEAR FORM W-2 GAYLE CAPOZZALO $ 185,042 TWO FORMER OFFICERS, ROBERT TREFRY AND JOSEPH JANNEL, RECEIVED PAYMENTS FROM THE NONQUALIFIED PLAN THESE AMOUNTS ARE NOT INCLUDED IN COLUMN B OR C THE FOLLOWING PAYMENTS WERE MADE DIRECTLY TO THEM FROM THE RABBI TRUST ROBERT TREFRY $216,182 JOSEPH JANELL 30,585 THE SUPPLEMENTAL RETIREMENT PLAN IS DESIGNED TO ENSURE THE PAYMENT OF A COMPETITIVE LEVEL OF RETIREMENT INCOME WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME IN ORDER TO ATTRACT AND RETAIN KEY MANAGEMENT EMPLOYEES SERVING AS CORPORATE OFFICERS THE PLAN PROVIDES SUPPLEMENTAL RETIREMENT INCOME THROUGH AN UNFUNDED, NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENT UNDER SECTION 457(F) AND THROUGH A DEFERRED COMPENSATION PLAN UNDER SECTION 409A OF THE INTERNAL REVENUE CODE AND A MANAGEMENT OR HIGHLY COMPENSATED EMPLOYEES' PLAN UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)
	PART I, LINE 7	PART I, LINE 7 NON-FIXED PAYMENTS PROVIDED THE SHORT TERM INCENTIVE PLAN IS A VARIABLE COMPENSATION PLAN WHICH PROVIDES ONE-TIME PAYMENTS TO ELIGIBLE MEMBERS OF MANAGEMENT IN RECOGNITION OF THE ACCOMPLISHMENT OF KEY ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE OBJECTIVES PERFORMANCE LEVELS ARE ESTABLISHED AND REVIEWED ANNUALLY AT THRESHOLD, TARGET AND MAXIMUM LEVELS, ACCORDING TO PLANNED "STRETCH" GOALS AND OBJECTIVES INCENTIVE AWARD OPPORTUNITIES ARE ESTABLISHED ACCORDING TO MARKET PRACTICES BASED ON EACH ELIGIBLE POSITION'S RESPONSIBILITIES, PERFORMANCE AND LEVEL OF AUTHORITY PERFORMANCE RELATIVE TO STIP AWARD OPPORTUNITIES INCORPORATES A BROAD SPECTRUM OF PRE-DEFINED FINANCIAL AND NON-FINANCIAL METRICS THAT ARE ALIGNED WITH ORGANIZATIONAL MISSION AND VALUES

DOHP2618A047

Additional Data

Return to For

Software ID:
Software Version:
EIN: 06-0646554
Name: BRIDGEPORT HOSPITAL

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
WILLIAM M JENNINGS	(i)	385,887	129,984	51,551	138,343	26,241	732,006	0
	(ii)	207,785	69,991	27,758	74,493	14,129	394,156	0
GAYLE L CAPOZZALO	(i)	63,222	24,782	26,648	14,320	1,817	130,789	0
	(ii)	569,000	223,038	239,834	128,880	16,354	1,177,106	0
MICHAEL IVY	(i)	318,118	41,810	23,902	16,364	31,072	431,266	0
	(ii)	0	0	0	0	0	0	0
MARYELLEN KOSTURKO	(i)	249,202	48,800	17,000	23,269	10,870	349,141	0
	(ii)	0	0	0	0	0	0	0
CAROLYN SALSGIVER	(i)	232,639	64,418	44,927	101,673	30,752	474,409	0
	(ii)	0	0	0	0	0	0	0
MELISSA TURNER	(i)	113,172	30,769	21,572	42,409	13,049	220,971	0
	(ii)	113,172	30,769	21,572	42,409	13,049	220,971	0
PATRICK MCCABE	(i)	178,816	60,469	20,266	60,547	17,781	337,879	0
	(ii)	218,551	73,905	24,768	74,001	21,738	412,963	0
MARC BRUNETTI	(i)	189,664	23,680	10,972	18,309	38,001	280,626	0
	(ii)	0	0	0	0	0	0	0
RYAN O'CONNELL	(i)	0	0	0	0	0	0	0
	(ii)	252,631	3,000	11,471	13,832	30,847	311,781	0
PATRICK SCHMINCKE	(i)	182,432	23,680	9,748	12,917	29,041	257,818	0
	(ii)	0	0	0	0	0	0	0
JOHN SKELLY	(i)	397,192	99,212	65,893	142,259	22,524	727,080	6,060
	(ii)	0	0	0	0	0	0	0
NORMAN G ROTH	(i)	385,779	139,579	55,608	131,014	14,180	726,160	0
	(ii)	96,444	34,895	13,902	32,754	3,545	181,540	0
MICHAEL WERDMANN	(i)	337,792	0	26,388	17,500	15,519	397,199	0
	(ii)	0	0	0	0	0	0	0
JONATHAN MAISEL	(i)	288,962	37,540	22,500	24,808	21,219	395,029	0
	(ii)	0	0	0	0	0	0	0
ROCKMAN FERRIGNO	(i)	275,558	5,532	17,000	16,490	21,558	336,138	0
	(ii)	0	0	0	0	0	0	0
THOMAS LAMONTE	(i)	302,702	6,065	14,387	25,000	21,558	369,712	0
	(ii)	0	0	0	0	0	0	0
GUILLERMO KATIGBAK	(i)	286,527	10,942	16,547	22,500	21,799	358,315	0
	(ii)	0	0	0	0	0	0	0
JOSEPH JANELL132012	(i)	79,273	74,850	446,118	10,823	0	611,064	90,346
	(ii)	0	0	0	0	0	0	0
ROBERT J TREFRY THRU 92010	(i)	0	0	301,062	0	0	301,062	237,188
	(ii)	0	0	0	0	0	0	0
BRUCE MCDONALD THRU 9272012	(i)	0	0	0	0	0	0	0
	(ii)	358,028	124,614	25,780	26,627	32,923	567,972	0

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OMB No 1545-0047

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pool financing Yes	(i) Pool financing No
A	CHEFA	06-0806186	20774YJE8	05-31-2012	40,467,946	REFINANCING A & C ISSUED 92 & 95		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	40,467,946			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	781,263			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	39,686,683			
12	Other unspent proceeds				
13	Year of substantial completion	2012			

		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2	Are there any lease arrangements that may result in private business use of bond-financed property?								

DOH 618A049

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Cat No 50193E

Schedule K (Form 990) 2012

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?								
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?								
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501 (c)(3) organization, or a state or local government ▶		%		%		%		%
6	Total of lines 4 and 5		%		%		%		%
7	Does the bond issue meet the private security or payment test?								
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?								
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?								

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?	X							
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

DCH 92618A050

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

DOHP2618A051

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) Loan to or from the organization? From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) In default? No	(h) Approved by board or committee? Yes	(h) Approved by board or committee? No	(i) Written agreement? Yes	(i) Written agreement? No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

DOHP2618A052

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CENTURY FINANCIAL SVC INC	SEE SCHEDULE O	289,148	SEE PART V		No
(2) EASTERN BAG & PAPER GROUP	SEE SCHEDULE O	131,039	SEE PART V		No

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
PART IV, COLUMN D	BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	NAME OF INTERESTED PERSON CENTURY FINANCIAL SERVICES, INC OFFICER PATRICK MCCABE IS AN OFFICER AND DIRECTOR OF CENTURY FINANCIAL SERVICES, INC CENTURY FINANCIAL SERVICES, INC PROVIDES BILLING AND COLLECTION SERVICES FOR THE HOSPITAL CENTURY FINANCIAL SERVICES, INC IS PARTIALLY OWNED BY THE HOSPITAL'S CORPORATE PARENT, BRIDGEPORT HOSPITAL AND HEALTHCARE SERVICES, INC AMOUNT OF TRANSACTION $289,147 56 NAME OF INTERESTED PERSON EASTERN BAG AND PAPER GROUPTRUSTEE MEREDITH REUBEN IS THE SOLE STOCKHOLDER AND CEO OF EBP SUPPLY SOLUTIONS AFTER PERFORMING AN OBJECTIVE REVIEW PROCESS, WHICH INCLUDED A COMPARISON TO COMPETITIVE ALTERNATIVES AVAILABLE IN THE MARKETPLACE AND IN WHICH MS REUBEN WAS NOT INVOLVED, THE HOSPITAL PURCHASED JANITORIAL AND FOOD SERVICE SUPPLIES AND SERVICES FROM EBP SUPPLY SOLUTIONS AMOUNT OF TRANSACTION $131,039 06

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OMB No 1545-0047

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

2012

Open to Public Inspection

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Identifier	Return Reference	Explanation
	FORM 990, PART VI	PART I, LINE 4 & PART VI, LINE 1B NUMBER OF INDEPENDENT VOTING MEMBERS OF THE GOVERNING BODY THE ORGANIZATION SOUGHT TO CONFIRM THE INDEPENDENCE OF EACH VOTING MEMBER OF ITS GOVERNING BODY BY REQUESTING THAT EACH SUCH VOTING MEMBER RESPOND TO A QUESTIONNAIRE CONTAINING THE PERTINENT INSTRUCTIONS AND DEFINITIONS AND DESIGNED TO ELICIT THE INFORMATION NECESSARY TO DETERMINE INDEPENDENCE. BASED ON RESPONSES TO THE QUESTIONNAIRES RECEIVED BY THE ORGANIZATION AND ANNUAL CONFLICTS OF INTEREST DISCLOSURES, THE ORGANIZATION WAS ABLE TO CONFIRM THAT 14 VOTING MEMBERS ARE INDEPENDENT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	BUSINESS RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES, OR KEY EMPLOYEES TRUSTEES GEORGE P CARTER, JANET M HANSEN, AND RICHARD M HOYT ARE BOARD MEMBERS OF THE SAME BUSINESS ENTITY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF BRIDGEPORT HOSPITAL IS BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES, INC

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE HOSPITAL IS GOVERNED BY ITS BOARD OF DIRECTORS, WHICH ELECTS THE PERSONS TO SERVE ON SUCH BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	BRIDGEPORT HOSPITAL & HEALTHCARE SERVICES, INC SHALL HAVE THE FOLLOWING RIGHTS, POWERS AND PRIVILEGES A)TO APPROVE THE ANNUAL OPERATING AND CAPITAL BUDGETS, PROGRAMS AND EXPENDITURES REQUIRING CERTIFICATE OF NEED APPROVAL BY APPROPRIATE GOVERNMENTAL BODIES, AND PLANS THAT MATERIALLY AFFECT THE GROWTH, OPERATING AND DEVELOPMENT OF THE HOSPITAL B)TO VOTE UPON ALL MATTERS ON WHICH MEMBERS ARE ENTITLED TO VOTE UNDER THE CONNECTICUT REVISED NONSTOCK CORPORATION ACT, AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME C)TO ELECT AND REMOVE THE DIRECTORS AND NON-VOTING PHYSICIAN DIRECTORS IN ACCORDANCE WITH THE PROVISIONS BY THESE BYLAWS D)TO ELECT AND REMOVE THE OFFICERS AND THE HOSPITAL IN ACCORDANCE WITH THE PROVISIONS OF THE BYLAWS E)TO ACT ON ANY OTHER MATTERS ON WHICH ACTION BY MEMBERS IS REQUIRED OR PERMITTED BY THESE BYLAWS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 TAX RETURN AND ATTACHED SCHEDULES WERE PREPARED BY EMPLOYEES OF THE SYSTEM TAX DEPARTMENT THE RETURN IS INITIALLY REVIEWED BY THE ADMINISTRATIVE DIRECTOR OF FINANCE SUBSEQUENTLY IT IS SENT TO ERNST & YOUNG US, LLP FOR THEIR INITIAL REVIEW AFTER ALL COMMENTS FROM THE ABOVE GROUP ARE CLEARED, THE RETURN IS THEN REVIEWED BY THE CHIEF FINANCIAL OFFICER OF THE ENTITY AND A FINAL VERSION OF THE RETURN IS SENT BACK TO ERNST & YOUNG US, LLP FOR FINAL REVIEW PRIOR TO FILING, THE ORGANIZATION MADE AVAILABLE A COMPLETE COPY OF THE RETURN TO THE BOARD OF DIRECTORS VIA A WEB PORTAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	BRIDGEPORT HOSPITAL IS COVERED UNDER THE YALE NEW HAVEN HEALTH SERVICES CORP CONFLICT OF INTEREST POLICY THE YALE NEW HAVEN HEALTH SYSTEM CONFLICT OF INTEREST POLICY (CC R-7) AND INDIVIDUAL ANNUAL DISCLOSURE FORM APPLIES TO A POOL OF EMPLOYEES, BOARD MEMBERS AND NON-BOARD MEMBERS SERVING ON BOARD COMMITTEES THESE "COVERED INDIVIDUALS" ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT, UPON BEGINNING EMPLOYMENT OR OTHERWISE BECOMING A COVERED INDIVIDUAL AND ANNUALLY THEREAFTER COVERED INDIVIDUALS ARE ALSO REQUIRED TO IMMEDIATELY REPORT MATERIAL CHANGES TO THEIR MOST RECENTLY COMPLETED DISCLOSURE STATEMENT THESE DISCLOSURE STATEMENTS AND REPORTS ARE REVIEWED BY THE OFFICE OF PRIVACY AND CORPORATE COMPLIANCE AND/OR THE LEGAL AND RISK SERVICES DEPARTMENT TO ENSURE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IF A POTENTIAL CONFLICT ARISES, THE PRESIDENT AND CEO WOULD CONSULT WITH THE BOARD CHAIRPERSON AND THE LEGAL AND RISK SERVICES DEPARTMENT AND TAKE ANY ACTIONS THAT SHE DEEMS REQUIRED OR APPROPRIATE TO MANAGE OR RESOLVE A POTENTIAL CONFLICT OF INTEREST FOR EXAMPLE, A VOTING BOARD OR COMMITTEE MEMBER WOULD BE REQUIRED TO RECUSE HIMSELF OR HERSELF FROM VOTING ON MATTERS RELATED TO THE POTENTIAL CONFLICT AND THE POTENTIAL CONFLICT WOULD BE DISCLOSED TO OTHER VOTING MEMBERS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE THE COMPARABILITY DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT AFFAIRS COMMITTEE THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD FORM 990, PART VI, SECTION B, LINE 15 LINE 15B - COMPENSATION PROCESS FOR OTHER OFFICERS OR KEY EMPLOYEES THE MANAGEMENT AFFAIRS COMMITTEE OF BRIDGEPORT HOSPITAL STRIVES TO TAKE THE STEPS NECESSARY TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL TAX LAW THE MANAGEMENT AFFAIRS COMMITTEE IS AUTHORIZED UNDER THE BRIDGEPORT HOSPITAL BYLAWS AND IS RESPONSIBLE FOR (1) DETERMINING THE OVERALL TOTAL COMPENSATION STRATEGY FOR ALL CORPORATE OFFICERS, (2) APPROVING ALL COMPENSATION AND BENEFITS DECISIONS FOR CORPORATE OFFICERS, AND (3) REPORTING SUCH ACTIONS TO THE FULL BRIDGEPORT HOSPITAL BOARD ON AN ANNUAL BASIS IN ADDITION, THE MANAGEMENT AFFAIRS COMMITTEE EXPRESSLY DETERMINES THE REASONABLENESS OF TOTAL COMPENSATION AND BENEFITS FOR ALL CORPORATE OFFICERS, AND ASSURES THAT ALL OFFICER COMPENSATION DECISIONS ARE MADE AFTER THOROUGH CONSIDERATION OF AND COMPARISON TO THE MARKET PRACTICES OF OTHER SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE EXECUTIVES IN COMPARABLE ORGANIZATIONS THE MANAGEMENT AFFAIRS COMMITTEE CONSISTS OF BOARD MEMBERS WHO DO NOT HAVE MATERIAL FINANCIAL INTERESTS THAT COULD BE AFFECTED BY THE OFFICER COMPENSATION DECISIONS MADE BY THE COMMITTEE THE COMPARABILITY DATA USED TO ASSIST THE MANAGEMENT AFFAIRS COMMITTEE IN ITS COMPENSATION DELIBERATIONS ARE COMPILED BY AN INDEPENDENT, NATIONAL COMPENSATION CONSULTING FIRM THAT IS RETAINED BY AND REPORTS DIRECTLY TO THE MANAGEMENT AFFAIRS COMMITTEE THE DATA COLLECTED BY THE CONSULTANT CONSISTS OF MARKET INFORMATION FOR EXECUTIVES IN FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS THE DELIBERATIONS AND DECISIONS OF THE MANAGEMENT AFFAIRS COMMITTEE ARE CONTEMPORANEOUSLY DOCUMENTED, REVIEWED AND APPROVED BY THE MANAGEMENT AFFAIRS COMMITTEE, AND PROVIDED TO THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	FORM 990, PART VI, SECTION C, LINE 19 COPIES OF FORM 990, FORM 1023 AND AUDITED FINANCIAL STATEMENTS ARE MAINTAINED IN THE SYSTEM TAX DEPARTMENT OTHER CORPORATE GOVERNING DOCUMENTS ARE MAINTAINED BY THE LEGAL AND RISK SERVICES DEPARTMENT THE CONFLICT OF INTEREST POLICY, WHISTLEBLOWER POLICY, AND DOCUMENT RETENTION POLICY ARE AVAILABLE TO ALL EMPLOYEES ON THE CORPORATE INTERNAL WEBSITE COPIES OF ALL DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
OTHER FEES	FORM 990, PART IX, LINE 11G	PHURCHASE SERVICES PROGRAM SERVICE EXPENSES 54,407,386 MANAGEMENT AND GENERAL EXPENSES 12,484,034 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 66,891,420 PHYSICIAN FEES PROGRAM SERVICE EXPENSES 22,466,645 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 22,466,645

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	NET CHANGE IN INTEREST IN BRIDGEPORT HOSPITAL FOUNDATION 1,659,000 DECREASE IN TEMP RESTRICTED NET ASSETS -188,000 INCREASE IN PERM RESTRICTED NET ASSETS 916,000 TRANSFER FROM YALE NEW HAVEN HEALTH 900,000 TRANSFER FROM BRIDGEPORT HOSPITAL FOUNDATION 444,409 NET ASSETS RELEASED FROM CAPITAL ACQUISITIONS 879,000 PENSION LIABILITY ADJUSTMENT 22,810,000 TRANSFER FROM BRIDGEPORT HOSPITAL & BRIDGEPORT HOSPITAL HEALTH SERVICES -12,995,000 NET CHANGE IN INTEREST IN BHF 3,282,339 RECLASS BHF INVESTMENT INCOME TO CHANGE IN NET ASSETS 1,824,880 RECLASS SERP ASSETS G/L -699 E-FUND ADJUSTMENT -3,058,170

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OMB No 1545-0047

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
BRIDGEPORT HOSPITAL

Employer identification number
06-0646554

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
See Additional Data Table							

DOHP2618A065

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 3 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) Disproportionate allocations? No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1) SHORELINE SURGERY CENTER LLC 60 TEMPLE STREET NEW HAVEN, CT 06510 90-0110459	HEALTHCARE	CT	N/A									
(2) SSC II LLC 111 GOOSE LANE GUILFORD, CT 06437 26-1709382	HEALTHCARE	CT	N/A									
(3) ORTHOPAEDIC & NEUROSURGERY CENTER 55 HOLLY HILL LANE GREENWICH, CT 06830 27-3477197	HEALTHCARE	CT	N/A									

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) Section 512 (b)(13) controlled entity? No
See Additional Data Table									

DOHP2618A066

Schedule R (Form 990) 2012

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j		No
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o		No
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) YALE NEW HAVEN SERVICES CORPORATION	P	292,330	TRANSACTION REVIEW
(2) YALE NEW HAVEN SERVICES CORPORATION	M	71,006,331	COMPARABLE MARKET VALUE
(3) BRIDGEPORT HOSPITAL FOUNDATION INC	Q	1,239,262	TRANSACTION REVIEW
(4) BRIDGEPORT HOSPITAL FOUNDATION INC	L	2,131,843	TRANSACTION REVIEW
(5) BRIDGEPORT HOSPITAL AND HEALTHCARE	R	12,995,015	CASH

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

DCHP261BA068

Software ID:
Software Version:
EIN: 06-0646554
Name: BRIDGEPORT HOSPITAL

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

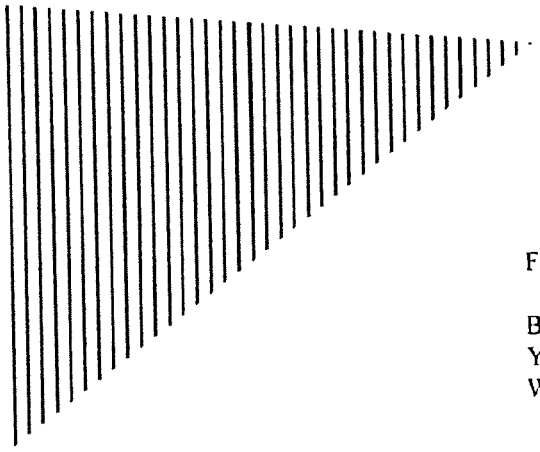
Identifier	Return Reference	Explanation

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
YNHHS-MSO INC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1467717	MANAGEMENT SERVICES	CT	N/A	C				Yes	
YALE NEW HAVEN AMBULATORY SERVICES 40 TEMPLE STREET NEW HAVEN, CT 06510 06-1398526	HEALTHCARE	CT	N/A	C				Yes	
QUINNIPIAC MEDICAL PC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1405531	HEALTHCARE	CT	N/A	C				Yes	
MEDICAL CENTER REALTY 50 YORK STREET NEW HAVEN, CT 06511 06-1110858	RENTAL	CT	N/A	C				Yes	
YNH GERIATRIC SERVICES PC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1561581	HEALTHCARE	CT	N/A	C				Yes	
YNH MEDICAL SERVICES PC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1561583	HEALTHCARE	CT	N/A	C				Yes	
CHC PHYSICIANS PC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1436530	HEALTHCARE	CT	N/A	C				Yes	
GREENWICH HEALTH SERVICES INC 5 PERRYRIDGE ROAD GREENWICH, CT 06830 06-1233643	HEALTHCARE	CT	N/A	C				Yes	
GREENWICH PEDIATRIC SERVICES PC 5 PERRYRIDGE ROAD GREENWICH, CT 06830 74-3054409	HEALTHCARE	CT	N/A	C				Yes	
GREENWICH INTEGRATIVE MEDICINE 5 PERRYRIDGE ROAD GREENWICH, CT 06830 26-0236411	HEALTHCARE	CT	N/A	C				Yes	
GREENWICH FERTILITY & IVF PC 5 PERRYRIDGE ROAD GREENWICH, CT 06830 30-0145464	HEALTHCARE	CT	N/A	C				Yes	
YORK ENTERPRISES INC 50 YORK STREET NEW HAVEN, CT 06511 06-1110937	TITLE HOLDING	CT	N/A	C				Yes	
YNHH-PHYSICIANS CORP 789 HOWARD AVE NEW HAVEN, CT 06519 06-1202305	ADMINISTRATIVE SERVICES	CT	N/A	C				Yes	
MEDICAL CENTER PHARMACY 50 YORK STREET NEW HAVEN, CT 06511 06-1097673	PHARMACY	CT	N/A	C				Yes	
GREENWICH OCCUPATIONAL HEALTH SERVICES INC 5 PERRYRIDGE ROAD GREENWICH, CT 06830 06-1540101	HEALTHCARE	NY	N/A	C				Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity? Yes	(i) Section 512(b)(13) controlled entity? No
LUKAN INDEMNITY COMPANY 58 PAR-LA-VALLIS RD HAMILTON, BERMUDA BD 06-0646652	INSURANCE	BD	N/A	C				Yes	
GREENWICH OCCUPATIONAL HEALTH SERVICES OF NEW JERSEY 5 PERRYRIDGE ROAD GREENWICH, CT 06830 45-3833883	HEALTHCARE	NJ	N/A	C				Yes	
PRIMARYNET OF CONNECTICUT INC 789 HOWARD AVE NEW HAVEN, CT 06519 06-1463534	HEALTHCARE	CT	N/A	C				Yes	



FINANCIAL STATEMENTS

Bridgeport Hospital
Years Ended September 30, 2013 and 2012
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

DOHP2618A072

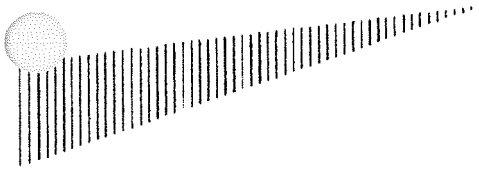
Bridgeport Hospital

Financial Statements

Years Ended September 30, 2013 and 2012

Contents

Report of Independent Auditors	1
Financial Statements	
Balance Sheets	3
Statements of Operations and Changes in Net Assets	5
Statements of Cash Flows	7
Notes to Financial Statements	8



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Report of Independent Auditors

The Board of Directors
Bridgeport Hospital

We have audited the accompanying financial statements of Bridgeport Hospital ("the Hospital"), which comprise the balance sheets as of September 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

A member firm of Ernst & Young Global Limited

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridgeport Hospital at September 30, 2013 and 2012, and the results of its operations and changes in its net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Change in Presentation of the Provision for Bad Debts

As discussed in Note 1 to the accompanying financial statements, in 2013, the Hospital adopted the provisions of Accounting Standards Update No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which resulted in a change to the presentation of the provision for bad debts in the accompanying statements of operations and changes in net assets effective October 1, 2011 Our opinion is not modified with respect to this matter

Ernst + Young LLP

December 23, 2013

Bridgeport Hospital

Balance Sheets

	September 30 2013	2012
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	$ 30,127	$ 15,511
Short term investments	33,642	41,452
Accounts receivable for services to patients, less allowance for uncollectible accounts, charity and free care of approximately $29,300 in 2013 and $19,025 in 2012	51,432	42,983
Professional liabilities insurance recoveries receivable – current portion	10,552	11,424
Other current assets	17,710	15,781
Assets limited as to use	–	1,875
Total current assets	143,463	129,026
Long-term investments	24,082	21,778
Interest in Bridgeport Hospital Foundation, Inc	60,014	55,179
Professional liabilities insurance recoveries receivable – noncurrent	22,167	31,106
Other assets	30,658	21,058
Goodwill	17,217	3,701
Property, plant, and equipment		
Land and land improvements	3,532	3,532
Buildings and fixtures	119,309	121,717
Equipment	285,792	269,245
	408,633	394,494
Less accumulated depreciation	285,402	283,721
	123,231	110,773
Construction in progress	19,477	17,163
	142,708	127,936
Total assets	$ 440,309	$ 389,784

	September 30 2013	2012
	(In Thousands)	
Liabilities and net assets		
Current liabilities		
Accounts payable	$ **16,363**	$ 10,208
Accrued expenses	**49,185**	48,554
Current portion of long-term debt	**32,205**	3,809
Professional liabilities – current portion	**10,552**	11,424
Other current liabilities	**5,306**	6,775
Total current liabilities	**113,611**	80,770
Long-term debt, net of current portion	**49,202**	47,436
Accrued pension obligation	**36,720**	60,816
Professional liabilities	**34,291**	43,247
Other long-term liabilities	**30,625**	34,257
Total liabilities	**264,449**	266,526
Commitments and contingencies		
Net assets		
Unrestricted	**123,039**	74,554
Temporarily restricted	**32,033**	28,832
Permanently restricted	**20,788**	19,872
Total net assets	**175,860**	123,258
Total liabilities and net assets	$ **440,309**	$ 389,784

See accompanying notes.

Bridgeport Hospital

Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2013	**2012**
	(In Thousands)	
Operating revenue		
Net patient service revenue	**$ 433,811**	$ 420,616
Less Provision for bad debts	**(14,984)**	(16,623)
Net patient service revenue, less provision for bad debts	**418,827**	403,993
Other revenue	**22,885**	16,075
Total operating revenue	**441,712**	420,068
Operating expenses		
Salaries and benefits	**195,993**	191,568
Supplies and other expenses	**187,754**	170,007
Depreciation and amortization	**22,794**	20,175
Insurance	**1,028**	2,890
Interest	**1,665**	2,724
Total operating expenses	**409,234**	387,364
Income from operations	**32,478**	32,704
Non-operating gains and losses, net	**3,969**	2,164
Excess of revenue over expenses	**36,447**	34,868

Bridgeport Hospital

Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2013	2012
	(In Thousands)	
Unrestricted net assets		
Excess of revenue over expenses	$ 36,447	$ 34,868
Transfer from Bridgeport Hospital Foundation, Inc	444	1,119
Net assets released from restrictions used for capital acquisitions	879	522
Pension liability adjustment	22,810	(24,104)
Transfers to Bridgeport Hospital and Healthcare Service, Inc	(12,995)	(13,487)
Transfers from Yale-New Haven Health Services Corporation	900	900
Increase (decrease) in unrestricted net assets	48,485	(182)
Temporarily restricted net assets		
Net changes in the interest in Bridgeport Hospital Foundation, Inc		
Change in unrealized gains on investments	600	714
Net assets released from restrictions used for operations	(3,064)	(2,659)
Bequests, contributions, and grants	6,057	6,536
Net realized investment gains and losses	374	771
Net assets released from restrictions used for capital	(1,018)	(1,641)
Other changes in net assets	475	688
Transfers to Bridgeport Hospital	(1,765)	(1,566)
Net change in interest in Bridgeport Hospital Foundation, Inc	1,659	2,843
Net assets released from restrictions used for operations	(3,282)	(2,316)
Change in unrealized gains and losses on investments	1,730	1,218
Bequests and contributions	81	–
Net realized investment gains and losses	668	828
Net assets released from restriction used for capital acquisition	(879)	(522)
Transfers from Bridgeport Hospital Foundation	1,765	2,088
Other changes in net assets	1,459	(304)
Increase in temporarily restricted net assets	3,201	3,835
Permanently restricted net assets		
Net change in the interest in Bridgeport Hospital Foundation, Inc		
Bequests and contributions	916	791
Increase in permanently restricted net assets	916	791
Increase in net assets	52,602	4,444
Net assets at beginning of year	123,258	118,814
Net assets at end of year	$ 175,860	$ 123,258

See accompanying notes

Bridgeport Hospital

Statements of Cash Flows

	Year Ended September 30 2013	2012
	(In Thousands)	
Operating activities		
Increase in net assets	$ 52,602	$ 4,444
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Change in net interest in Bridgeport Hospital Foundation, Inc	(4,835)	(6,591)
Depreciation and amortization	22,794	20,175
Bad debts	14,984	16,623
Changes in unrealized gains and losses on investments	(2,765)	(2,553)
Transfer to Bridgeport Hospital and Healthcare Services, Inc	12,995	13,487
Loss on refunding and refinancing of long-term debt	–	1,799
Pension liability adjustment	(22,810)	24,104
Changes in operating assets and liabilities		
Accounts receivable, net	(23,433)	(17,787)
Other assets	(11,529)	(15,455)
Accounts payable	6,155	(3,086)
Accrued expenses	631	7,256
Professional insurance recoverable and liabilities	(17)	(1,110)
Other current liabilities, accrued pension obligation, and other long-term liabilities	(6,387)	(10,440)
Net cash provided by operating activities	38,385	30,866
Investing activities		
Net change in investments	8,271	(21,537)
Assets limited as to use	1,875	7,529
Cash paid for acquisition, net of cash acquired	(13,516)	–
Acquisitions of property, plant, and equipment, net	(37,566)	(22,641)
Net cash used in investing activities	(40,936)	(36,649)
Financing activities		
Proceeds from line of credit	25,000	–
Proceeds from note payable	14,000	–
Proceeds from issuance of long-term debt	–	40,468
Proceeds from issuance of term loan	–	5,500
Refunding of long-term debt	–	(47,145)
Payment of financing fees	–	(780)
Payments of note payable	(4,525)	–
Payments of long-term debt	(4,313)	(385)
Transfer to Bridgeport Hospital and Healthcare Service, Inc	(12,995)	(13,487)
Net cash provided by (used in) financing activities	17,167	(15,829)
Net increase (decrease) in cash and cash equivalents	14,616	(21,612)
Cash and cash equivalents, beginning of year	15,511	37,123
Cash and cash equivalents, end of year	$ 30,127	$ 15,511

See accompanying notes

Bridgeport Hospital

Notes to Financial Statements

September 30, 2013

1. Organization and Significant Accounting Policies

Bridgeport Hospital (the Hospital) is a voluntary association incorporated under the General Statutes of the State of Connecticut Bridgeport Hospital & Healthcare Services, Inc (BHHS), a Connecticut not-for-profit corporation, is the sole member of the following not-for-profit, non-stock corporations the Hospital, Bridgeport Hospital Foundation, Inc (the Foundation), Southern Connecticut Health System Properties, Inc (Properties)

Yale-New Haven Health Services Corporation (YNHHSC) is the sole member of BHHS and two similar organizations Each of these three tax-exempt organizations serves as the sole member/parent for its respective delivery network of regional health care providers and related entities Under the terms of an agreement with YNHHSC, BHHS and the Hospital continue to operate autonomously with separate boards, management and medical staff, however, YNHHSC approves the Hospital's strategic plans, operating and capital budgets, and Board appointments

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectibles for accounts receivable for services to patients, and liabilities, including estimated receivables and payables to third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements Estimates also affect the amounts of revenue and expenses during the reporting period There is at least a reasonable possibility that certain estimates will change by material amounts in the near term Actual results could differ from those estimates

During fiscal 2013, the Hospital recorded a change in estimate of approximately $6 4 million related to favorable third-party settlements and during fiscal 2012 recorded a change in estimate of approximately $4 1 million related to favorable third-party settlements

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Hospital has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity See Notes 5 and 6 for additional information relative to temporarily and permanently restricted net assets

1. Organization and Significant Accounting Policies (continued)

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value on the date the promise is received All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid financial instruments with original maturities of three months or less when purchased, which are not classified as assets limited as to use or restricted or held in the long-term investment portfolio

Cash and cash equivalents are maintained with domestic financial institutions with deposits which exceed federally insured limits It is the Hospital's policy to monitor the financial strength of these institutions

Accounts Receivable

Patient accounts receivable result from the health care services provided by the Hospital Additions to the allowance for doubtful accounts result from the provision for bad debts Accounts written off as uncollectible are deducted from the allowance for doubtful accounts

The amount of the allowances for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators See Note 2 for additional information relative to third-party payor programs

Investments

The Hospital has designated all investments reported in the accompanying balance sheets as trading securities As such, unrealized gains and losses are included in the excess of revenue and over expenses

1. Organization and Significant Accounting Policies (continued)

Investments in marketable equity securities with readily determinable fair market values and all investment in debt securities (marketable investments) are measured at fair value based on quoted market prices

The Hospital participates in the Yale New Haven Health System Investment Trust (the Trust), a unitized Delaware Investment Trust created to pool assets for investment by the Health System non-profit entities The Trust is comprised of two pools the Long-Term Investment Pool (L-TIP) and the Intermediate-Term Investment Pool (I-TIP) Governance of the Trust is performed by the Yale New Haven Health System Investment Committee

Under the terms of the investment management agreement with the Trust, withdrawals of the Hospital's investment in the L-TIP can be made annually by the Hospital on July 1 Amounts withdrawn are subject to a schedule that allows larger withdrawals with longer notice periods As of September 30, 2013, the Hospital can withdraw 100% of its investment in the L-TIP on July 1, 2012 Withdrawals of the Hospital's investment in the I-TIP in any amount can be made quarterly with 30 days advance notice

Certain alternative investments (non-traditional, not-readily-marketable assets) are structured such that the Hospital holds limited partnership interests or pooled units and are accounted for under the equity method and utilizing Yale University's (the University) reported net asset value per unit for measurement of the units' fair value for the Yale University investment

Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities Valuations of those investments and, therefore, the Hospital's holdings may be determined by the investment manager or general partner Fund of funds investments are primarily based on financial data supplied by the underlying investee funds Values may be based on historical cost, appraisals, or other estimates that require varying degrees of judgment The equity method reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses The investments may indirectly expose the Hospital to securities lending, short sales of securities, and trading in futures and forwards contracts, options, swap contracts and other derivative products While these financial instruments may contain varying degrees of risk, the Hospital's risk with respect to such transactions is limited to its capital balance in each investment The financial statements of the investees are audited annually by independent auditors

1. Organization and Significant Accounting Policies (continued)

The Trust has an agreement with the University's investment office (the Investment Management Agreement) which allows the University to manage a portion of the Trust's investments as part of the University's Endowment Pool (the Pool) Under the terms of the agreement for the year ended September 30, 2012, the Trust transferred $50 0 million to the University in exchange for units in the Pool The Trust's interest in the Pool is reported at fair value based on the net asset value per units held The Pool invests in domestic equity, foreign equity, absolute return, private equity, real estate, fixed income and cash

Under the terms of the investment management agreement with the University, withdrawals of the Trust's investment in the Pool can be made annually by the Trust on July 1 For withdrawals greater than $150 0 million or 75% of the Trust's investment in the Pool, $100 0 million or 50% of the Trust's investment in the Pool, and $50 0 million or 25% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 180 days, 90 days, and 30 days, respectively, prior to the University's fiscal year ending June 30 For withdrawals greater than $150 0 million or more than 75% of the Trust's investment in the Pool, the advance notice period is set to a maximum of 270 days prior to the University's fiscal year end of June 30

In 2011 the Investment Management Agreement between the Trust and the University was modified to allow the Trust to obtain a cash advance, up to a maximum of $75 million, on a monthly basis For these advances, an interest charge of Prime plus two percent (2%) will be paid by the Trust Repayments on the advances are made by the Trust by way of redemptions of a sufficient number of the Trust's units in the Endowment using the June 30th unit valuation No advances have been requested or taken by the Trust

Net realized gains and losses on investments, interest and dividends are included in excess of revenue over expenses unless the income or loss is restricted by donor or law The change in unrealized gains and losses on all investments is included in the excess of revenue over expenses unless the income or loss is restricted by the donor

Assets Limited as to Use

Assets limited as to use include assets held by trustee under bond indenture agreements Amounts required to meet current liabilities are reported as current assets These funds primarily consist of U S Government obligations, corporate obligations, mutual funds and money market funds Changes in unrealized gains and losses are recorded in the excess of revenue over expenses

1. Organization and Significant Accounting Policies (continued)

Inventories

Inventories, included in prepaid expenses and other current assets, are stated at the lower of cost or market The Hospital values its inventories using the first-in, first-out method

Deferred Financing Costs

Deferred financing costs represent costs incurred to obtain long-term financing Amortization of the costs is provided using a method that approximates the interest method over the remaining term of the applicable indebtedness The accumulated amortization of deferred financing costs was approximately $0 1 million at September 30, 2013 and 2012 See Note 7 for additional information relative to debt-related matters

Benefits and Insurance

The Hospital provides medical, dental, hospitalization and prescription drug benefits to employees for which it is self-insured Liabilities have been accrued for claims, including claims incurred but not reported (IBNRs), which are based on Hospital-specific experience At September 30, 2013 and 2012, the estimated liability for self-insured employee medical, prescription and other benefit claims and IBNRs aggregated approximately $0 9 million and $1 0 million, respectively, and is included in accrued expenses in the accompanying balance sheets

The Hospital is effectively self-insured for workers' compensation claims Estimated amounts are accrued for claims, including IBNRs, which are based on Hospital-specific experience At September 30, 2013 and 2012, the estimated liability for self-insured workers' compensation claims and IBNRs, discounted at 2 5% in 2013 and 3 0% in 2012, aggregated approximately $5 6 million and $5 2 million, respectively, and is included in other long-term liabilities in the accompanying balance sheets

1. Organization and Significant Accounting Policies (continued)

Property, Plant, and Equipment

Property, plant, and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at the date of contribution The carrying amounts of assets and the related accumulated depreciation and amortization are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations Depreciation of property, plant, and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 50 years

Goodwill

During 2013, the Hospital acquired substantially all of the business, assets, and operations of Robert D Russo and Associates Radiology P C ("Russo Radiology") The acquisition includes installment payments totaling $15 million, including interest, ranging from approximately $1 5 million to $3 9 million due from May 2013 through June 2017 At September 30, 2013, the Hospital has a liability of approximately $9 5 million remaining The Hospital has accounted for the business combination by applying the acquisition method of accounting in accordance with Accounting Standards Codification Topic 805, *Business Combinations* The purchase price in excess of the fair value of identified assets aggregated approximately $13 5 million which has been recorded as goodwill There were no liabilities assumed at the acquisition date

In 2011, the Hospital acquired certain tangible and intangible assets of Cardiac Specialists, P C for $1 6 million As a result of the transaction, goodwill in the amount of approximately $0 8 million was recorded and is included in other assets at September 30, 2013 and 2012

The Hospital is required to perform an annual review of its goodwill for impairment Based on the Hospital's review at September 30, 2013 and 2012, goodwill was determined not to be impaired

1. Organization and Significant Accounting Policies (continued)

Excess of Revenue Over Expenses

In the accompanying statements of operations and changes in net assets, excess of revenue over expenses is the performance indicator Peripheral or incidental transactions are included in excess of revenue over expenses Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue, other gains and losses are classified as non-operating gains and losses

Contributions of, or restricted to, property, plant, and equipment, net change in Interest in Bridgeport Hospital Foundation, Inc , transfers of assets to and from affiliates for other than goods and services, and pension and other post-retirement liability adjustments are excluded from the performance indicator but are included in the changes in net assets

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal or state income taxes on related income pursuant to Section 501(a) of the Code

Interest in Bridgeport Hospital Foundation, Inc.

The Hospital recognizes its accumulated interest in the net assets held by the Foundation as interest in Bridgeport Hospital Foundation, Inc The Hospital recognizes the periodic change in such interest in its statements of operations and changes in net assets (net change in interest in Bridgeport Hospital Foundation, Inc)

Asset Retirement Obligation

The Hospital maintains an asset retirement obligation liability related to the estimated future costs to remediate environmental liabilities in certain buildings The asset and asset retirement obligation liability were approximately $0 4 million and $12 1 million, respectively, at September 30, 2013, and approximately $0 4 million and $12 8 million, respectively, at September 30, 2012

1. Organization and Significant Accounting Policies (continued)

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2012 balances previously reported in the financial statements in order to conform with the year ended September 30, 2013 presentation, including the reclassification of provision for doubtful accounts on the statements of operations related to the adoption of ASU 2011-07

Change in Accounting Principle

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ("ASU No 2011-07") In accordance with ASU No 2011-07, the Hospital changed the presentation of its statement of operations and changes in net assets by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, similar to contractual allowances and discounts Additionally, the Hospital has provided enhanced disclosures about its policies for recognizing revenue and assessing bad debts, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts The Hospital adopted this accounting standard update as of October 1, 2012, and retrospectively applied the presentation of the provision for bad debts in the accompanying statements of operations and changes in net assets to all periods presented The enhanced disclosure requirements are required in the period of adoption and subsequent reporting periods (see Note 2) The Hospital's adoption of this update has no effect on the previously reported excess of revenue over expenses or on net assets

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue

The Hospital has agreements with third party payors that provide for payments to the Hospital at amounts different from its established rates The difference is accounted for as allowances Payment arrangements include prospectively determined rates per discharge, reimbursed costs, fee-for-service, discounted charges and per diem payments Net patient service revenue is affected by the Connecticut Disproportionate Share Hospital Program, includes premium revenue and is reported at the estimated net realizable amounts due from patients, third party payors and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations

Third-party payor receivables included in other receivables were $2 7 million and $5 3 million at September 30, 2013 and 2012, respectively Third-party payor receivables included in other long-term assets were $3 4 million and $2 8 million at September 30, 2013 and 2012, respectively Third-party payor liabilities included in other current liabilities were $4 5 million and $6 1 million at September 30, 2013 and 2012, respectively Third-party payor liabilities included in other long-term liabilities were $13 4 million and $14 9 million at September 30, 2013 and 2012, respectively

The Hospital has established estimates based on information presently available, of amounts due to or from Medicare, Medicaid and third-party payors for adjustments to current and prior year payment rates, based on industry-wide and Hospital-specific data Such amounts are included in the accompanying balance sheets Additionally, certain payors' payment rates for various years have been appealed by the Hospital If the appeals are successful, additional income applicable to those years might be realized

Revenue from Medicare and Medicaid programs accounted for approximately 38% and 18%, respectively, of the Hospital's net patient service revenue for the year ended September 30, 2013 and 36% and 18% for the year ended September 30, 2012 Inpatient discharges relating to Medicare and Medicaid programs accounted for approximately 39% and 31%, respectively, for the year ended September 30, 2013, and approximately 39% and 32%, respectively, for the year ended September 30, 2012 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital Cost reports for the Hospital, which serve as the basis for final settlement with government payors, have been settled by final settlement through 2009 for Medicare and 2008 for Medicaid Other years remain open for settlement

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

The significant concentrations of accounts receivable for services to patients include 21% from Medicare, 13% from Medicaid, and 66% from non-governmental payors at September 30, 2013 and 2012

Net patient service revenue is comprised of the following for the years ended September 30, 2013 and 2012 (in thousands)

	2013	2012
Gross revenue from patients	$ 1,512,520	$ 1,390,798
Deductions		
Contractual allowances	1,041,542	942,001
Charity and free care (at charges)	37,167	28,181
Provision for doubtful accounts	14,984	16,623
Net patient service revenue	$ 418,827	$ 403,993

Patient service revenue for the year ended September 30, 2013, net of contractual allowances and discounts (but before the provision for bad debts), recognized from these major payor sources based on primary insurance designation is, in thousands, as follows

	Third-Party	Self-Pay	Total All Payors
Patient service revenue (net of contractual allowances and discounts)	$418,510	$15,301	$433,811

Deductibles and copayments under third-party payment programs within the third-party payor amount above are the patient's responsibility and the Hospital considers these amounts in its determination of the provision for bad debts based on collection experience Accounts receivable are also reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

2. Accounts Receivable for Services to Patients and Net Patient Service Revenue (continued)

The Hospital's allowance for doubtful accounts totaled approximately $29 3 million and $19 0 million at September 30, 2013 and 2012, respectively The allowance for doubtful accounts for self-pay patients was approximately 78 5% and 77 0% of self-pay accounts receivable as of September 30, 2013 and 2012, respectively Overall, the total of self-pay discounts and write-offs did not change significantly in 2013 The Hospital did not experience significant changes in write-off trends and did not change its charity care policy in 2013

3. Uncompensated Care and Community Benefit Expense

The Hospital's commitment to community service is evidenced by services provided to the poor and benefits provided to the broader community Services provided to the poor include services provided to persons who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured

The Hospital makes available free care programs for qualifying patients In accordance with the established policies of the Hospital, during the registration, billing and collection process a patient's eligibility for free care funds is determined For patients who were determined by the Hospital to have the ability to pay but did not, the uncollected amounts are bad debt expense For patients who do not avail themselves of any free care program and whose ability to pay cannot be determined by the Hospital, care given but not paid for, is classified as charity care

Together, charity care and bad debt expense represent uncompensated care The estimated cost of total uncompensated care is approximately $22 3 million and $17 7 million for the years ended September 30, 2013 and 2012, respectively The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by claims activity The allocation between bad debt and charity care is determined based on management's analysis on the previous 12 months of hospital data This analysis calculates the actual percentage of accounts written off or designated as bad debt vs charity care while taking into account the total costs incurred by the hospital for each account analyzed

The estimated cost of charity care provided was $16 4 million and $11 2 million for the years ended September 30, 2013 and 2012, respectively The estimated cost of charity care is estimated using the ratio of cost to gross charges applied to the gross uncompensated cost associated with providing charity care

3. Uncompensated Care and Community Benefit Expense (continued)

For the years ended September 30, 2013 and 2012, bad debt expense, at charges, was $15 0 million and $16 6 million, respectively For the years ended September 30, 2013 and 2012, bad debt expense, at cost, was $5 9 million and $6 6 million, respectively The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above

The Connecticut Disproportionate Share Hospital Program (CDSHP) was established to provide funds to hospitals for the provision of uncompensated care and is funded, in part, by a 1% assessment on hospital net inpatient service revenue During the years ended September 30, 2013 and 2012, the Hospital received $17 7 million and $20 0 million, respectively, in distributions from CDSHP, of which approximately $12 6 million was related to charity care The Hospital made payments into CDSHP of $16 9 million and $16 9 million for the years ended September 30, 2013 and 2012, respectively, for the 1% assessment

Additionally, the Hospital provides benefits for the broader community which includes services provided to other needy populations that may not qualify as poor but need special services and support Benefits include the cost of health promotion and education of the general community, interns and residents, health screenings, and medical research The benefits are provided through the community health centers, some of which service non-English speaking residents, disabled children, and various community support groups The Hospital voluntarily assists with the direct funding of several City of Bridgeport programs, including an economic development program and a youth initiative program

In addition to the quantifiable services defined above, the Hospital provides additional benefits to the community through its advocacy of community service by employees The Hospital's employees serve numerous organizations through board representation, membership in associations and other related activities The Hospital also solicits the assistance of other healthcare professionals to provide their services at no charge through participation in various community seminars and training programs

4. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, and assets limited as to use is set forth in the following table (in thousands)

	2013	2012
Money market funds	$ 5,025	$ 5,458
Mutual funds	–	145
U S equity securities	4,500	3,872
U S equity securities – common collective trusts	791	428
International equity securities[a]	3,689	2,702
Fixed income		
U S government	4,473	10,623
U S government – common collective trusts	5,001	8,897
Corporate debt	419	285
International government[b]	3,764	3,960
Commodities	135	45
Hedge funds		
Absolute return[c]	–	2,702
Long/short equity[d]	9	880
Real estate[e]	550	669
Interest in Yale University endowment pool[f]	29,368	24,439
Total	$ 57,724	$ 65,105

[a] Investments with external international equity and bond managers that are domiciled in the United States Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities

[b] Investments with external commodities futures manager

[c] Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings which may be long or short positions

[d] Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions

[e] Investments with external direct real estate managers and fund of funds managers Investment vehicles both closed end REITs and limited partnerships

[f] Yale University Endowment Pool maintains a diversified investment portfolio, through the use of external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds The pool combines an orientation to equity investments with an allocation to non-traditional asset classes such as an absolute return, private equity, and real assets

4. Investments and Assets Limited as to Use (continued)

The Hospital's ownership percentage of the Trust was approximately 5 2% and 7 0% as of September 30, 2013, and 2012, respectively The Hospital's prorata portion of the Trust's investments are included in the above table Primarily all of the above investments are deemed to be available for satisfying donor restrictions as they become due

5. Endowment

The Hospital's endowment includes donor-restricted endowment funds Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions

The Hospital has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and direction of the applicable donor gift instrument at the time of the accumulation is added to the fund The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Hospital in a manner consistent with the standard of prudence prescribed by CUPMIFA In accordance with CUPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (1) the duration and preservation of the fund, (2) the purposes of the Hospital and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Hospital, and (7) the investment and spending policies of the Hospital

5. Endowment (continued)

Changes in endowment net assets for the fiscal year ended September 30, 2013, are as follows (in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 104	$ 17,630	$ 19,872	$ 37,606
Investment returns				
Investment income	–	858	–	858
Net appreciation (realized and unrealized)	–	1,239	–	1,239
Total investment return	–	2,097	–	2,097
Appropriation of endowment assets for expenditure	(104)	(1,243)	–	(1,347)
Other changes				
Contribution bequests	–	2,588	916	3,504
Endowment net assets, end of year	$ –	$ 21,072	$ 20,788	$ 41,860

Changes in endowment net assets for the fiscal year ended September 30, 2012, are as follows (in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 87	$ 15,274	$ 19,081	$ 34,442
Investment returns				
Investment income	8	1,131	–	1,139
Net appreciation (realized and unrealized)	9	1,246	–	1,255
Total investment return	17	2,377	–	2,394
Appropriation of endowment assets for expenditure	–	(104)	–	(104)
Other changes				
Contribution bequests	–	83	791	874
Endowment net assets, end of year	$ 104	$ 17,630	$ 19,872	$ 37,606

From time to time, the fair value of assets associated with permanently restricted endowment funds may fall below the level determined under Connecticut UPMIFA

6. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets as of September 30 are available for the following purposes

	2013	2012
	(In Thousands)	
Indigent care	$ 19,373	$ 17,945
Other health care services	12,660	10,887
	$ 32,033	$ 28,832

Permanently restricted net assets of approximately $20 8 million and $19 9 million for the years ended September 30, 2013 and 2012, respectively, consists of donor-restricted endowment principal The income generated from permanently restricted funds is expendable for purposes designated by donors, including the support of various health care services

7. Debt

A summary of debt at September 30 is as follows

	2013	2012
	(In Thousands)	
Tax-exempt revenue bonds		
Series D (fixed interest rates ranging from 2 00% to 5 00%)	$ 34,350	$ 36,415
Line of credit (1 71% interest rate)	25,000	–
2010 term loan (3 22% fixed interest rate)	4,940	5,543
2012 term loan (1 66% fixed interest rate)	4,167	5,235
Note payable (6 90% fixed interest rate)	9,463	–
Capital lease obligation	95	168
	78,015	47,361
Add premium	3,392	3,884
Less current portion	(32,205)	(3,809)
	$ 49,202	$ 47,436

7. Debt (continued)

In November 2010, the Hospital obtained a $6 6 million term loan from the State of Connecticut Health and Educational Facilities Authority (CHEFA) The proceeds of the loan are to be used for the purchase and installation of energy savings equipment and various renovations and improvements to the Hospital's infrastructure The loan is to be paid in monthly installments over 10 years at a fixed interest rate of 3 22%

In May 2012, the Hospital's Series D tax-exempt revenue bonds were issued through CHEFA under a Master Trust Indenture for approximately $36 4 million, with coupons ranging from 2 0% to 5 0%, and a final maturity of July 2025 The proceeds, including a premium of approximately $4 1 million, were held in an escrow account and used for the retirement of the outstanding Series A and C tax-exempt revenue bonds and to pay for certain bond issuance costs of approximately $0 8 million The bond premium is being amortized using the effective interest method and is included in interest expense in the accompanying statement of operations and changes in net assets In connection with the refunding and refinancing, the Hospital recognized a loss in 2012 of approximately $1 8 million principally related to the write-off of deferred financing costs

In June 2012, the Hospital obtained a $5 5 million term loan from CHEFA The loan is to be paid in monthly installments over five years at a fixed rate of 1 66% with the proceeds to be used for medical and cafeteria equipment The loan is secured by the equipment purchased with the proceeds of the loan

In December 2012, in connection with the purchase of Russo Radiology practice, the Hospital entered into a note payable with the seller in the amount of $14 million The note is to be repaid in monthly installments over five years as discussed in footNote 1

In September 2013, the Hospital entered into and drew in full its $25 million line of credit with a bank The bank line of credit requires payment of the outstanding principal amount twelve months subsequent to the initial advance The obligation bears interest at a rate equal to one month LIBOR plus 1 50% per annum

7. Debt (continued)

Scheduled principal payments on all debt are as follows (in thousands)

	Debt	Capital Lease Obligations
2014	$ 32,162	$ 47
2015	8,227	47
2016	4,657	8
2017	5,646	–
2018	3,323	–
Thereafter	23,905	–
	$ 77,920	102
Less interest		(7)
Total capital lease obligation		$ 95

Cash paid for interest for the years ended September 30, 2013 and 2012, approximated $1 7 million and $2 7 million, respectively

In connection with the Series D bonds, the Hospital is required to maintain certain financial covenants At September 30, 2013 and 2012, the Hospital was in compliance with its financial debt covenants

Assets recorded under the capital lease obligations totaled $0 3 million and $0 2 million as of September 30, 2013 and 2012, respectively Accumulated depreciation for the capital lease obligations totaled $0 3 million and $0 1 million for September 30, 2013 and 2012, respectively

8. Retirement Benefit Plans

The Hospital and certain other affiliates of BHHS have a defined benefit pension plan covering substantially all employees The benefits are based on years of service and employees' average compensation as defined by the plan documents The Hospital and affiliates of BHHS make contributions in amounts sufficient to meet the required benefits to be paid to plan participants as they become due as required under the Employee Retirement Income Security Act of 1974

8. Retirement Benefit Plans (continued)

On June 30, 2006, the Hospital and certain other affiliates of BHHS froze their defined benefit plan On October 1, 2006 the Hospital and certain other affiliates of BHHS instituted a defined contribution plan covering substantially all employees The Hospital matches employee 403(b) contributions on a bi-weekly basis, as defined by the defined contribution plan documents, and provides an annual contribution to the employees' accounts based on each employee's year of service and compensation The Hospital expensed approximately $9 5 million and $9 6 million relating to the defined contribution plan for the years ended September 30, 2013 and 2012, respectively Amounts due to the defined contribution plan amounted to $5 2 million and $4 8 million at September 30, 2013 and 2012, respectively, and are included in accrued expenses in the accompanying balance sheets

The Hospital is required to measure plan assets and benefit obligations at a date consistent with its fiscal year-end balance sheet Included in unrestricted net assets at September 30, 2013 and 2012, are the following amounts that have not yet been recognized in net periodic benefit cost (in thousands)

	2013	2012
Unrecognized actuarial loss	**$ (80,198)**	$ (103,008)

The actuarial loss included in unrestricted net assets at September 30, 2013 is $2 7 million and is expected to be recognized in net periodic benefit cost during the year ending September 30, 2014

8. Retirement Benefit Plans (continued)

The following table sets forth the funded status of the Hospital and affiliates of BHHS's plans as of September 30

	Pension Benefits	
	2013	2012
	(In Thousands)	
Change in benefit obligation		
Benefit obligation, beginning of year	$ (199,526)	$ (166,112)
Interest cost	(7,841)	(8,464)
Actuarial gain (loss)	21,397	(30,864)
Benefits paid	6,365	5,914
Benefit obligation, end of year	$ (179,605)	$ (199,526)
Change in plan assets		
Fair value of plan assets, beginning of year	$ 132,485	$ 107,905
Actual return on plan assets	8,020	14,665
Employer contribution	2,520	15,829
Benefits paid	(6,365)	(5,914)
Fair value of plan assets, end of year	$ 136,660	$ 132,485
Accrued obligation	$ (42,945)	$ (67,041)
Net amounts allocated to Parent	6,225	6,225
Accrued pension obligation	$ (36,720)	$ (60,816)

The accrued benefit obligation allocated to Parent is determined using the participant data at the time the Plan was frozen

The actuarial gain in 2013 and loss in 2012 primarily relates to changes in the discount rate used to measure the benefit obligation

8. Retirement Benefit Plans (continued)

Accumulated Benefit Obligation

The projected benefit obligation, accumulated benefit obligations and fair value of plan assets were as follows for September 30

	2013	2012
	(In Thousands)	
Projected benefit obligation	$ 179,605	$ 199,526
Accumulated benefit obligation	179,605	199,526
Fair value of plan assets	136,660	132,485

The following table provides the components of the net periodic benefit cost for the plan for the years ended September 30

	Pension Benefits	
	2013	2012
	(In Thousands)	
Components of net periodic benefit cost		
Interest cost	$ 7,841	$ 8,464
Expected rate of return on plan assets	(9,348)	(9,269)
Recognized net actuarial loss	2,740	1,365
Net periodic benefit cost	$ 1,233	$ 560

Assumptions

Weighted-average assumptions used to determine benefit obligations at September 30 are as follows

	Pension Benefits	
	2013	2012
Discount rate	4.90%	4.0%

8. Retirement Benefit Plans (continued)

Weighted-average assumptions used to determine net periodic benefit cost for years ended September 30 are as follows

	Pension Benefits	
	2013	2012
Discount rate	4.00%	5 20%
Expected long-term return on plan assets	6.75	6 75

Measurement Date

The measurement date used to determine pension benefits is September 30 in 2013 and 2012

Plan Assets

The asset allocations of the Hospital's pension plan at September 30 are as follows

	Target Allocation	Percentage of Plan Assets	
	2014	2013	2012
Asset category			
Equity securities	35%	40%	22%
Debt securities	39	43	61
Alternative investments	26	17	17
Total	100%	100%	100%

8. Retirement Benefit Plans (continued)

The pension assets carried at fair value as of September 30, 2013 and 2012, are classified in the following tables in one of the three categories described in footNote 15 (in thousands)

	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,441	$ –	$ –	$ 1,441
U S equity securities	29,960	–	–	29,960
International equity securities	25,111	–	–	25,111
Fixed income				
U S government	19,474	–	–	19,474
Corporate debt	29,606	–	–	29,606
International government	7,720	–	–	7,720
Hedge Funds				
Long/Short Equity	–	9,495	–	9,495
Multi Strategy/Other	–	–	10,505	10,505
Real Estate	3,348	–	–	3,348
Total investments as of September 30, 2013	$ 116,660	$ 9,495	$ 10,505	$ 136,660

	Level 1	Level 2	Level 3	Total
Money market funds	$ 4,558	$ –	$ –	$ 4,558
U S equity securities	19,674	–	–	19,674
International equity securities	12,459	–	–	12,459
Fixed income				
U S government	28,193	–	–	28,193
Corporate debt	37,263	–	–	37,263
International government	10,275	–	–	10,275
Hedge Funds				
Long / Short Equity	–	8,764	–	8,764
Multi Strategy / other	–	–	8,689	8,689
Real Estate	2,610	–	–	2,610
Total investments as of September 30, 2012	$ 115,032	$ 8,764	$ 8,689	$ 132,485

8. Retirement Benefit Plans (continued)

The following is a rollforward of the pension assets classified as Level 3 of the valuation hierarchy as described in Note 15

Fair value at September 30, 2011	$ 6,806
2012 Realized gains and losses	2,931
2012 Unrealized gains and losses	207
2012 Purchases	8,500
2012 Sales	(9,755)
Fair value at September 30, 2012	8,689
2013 Unrealized gains and losses	**666**
2013 Purchases	**1,150**
Fair value at September 30, 2013	**$ 10,505**

The Hospital's investment strategy for its pension assets, balances the liquidity needs of the pension plan with the long-term return goals necessary to satisfy future pension obligations The target asset allocation seeks to capture the equity premium granted by the capital markets over the long-term while ensuring security of principal to meet near term expenses and obligations through the fixed income allocation The allocations of the investment pool to various sectors of the markets are designed to reduce volatility in the portfolio

The Hospital's pension portfolio return assumption of 6 75% is based on the targeted weighted-average return of comparative market indices for the asset classes represented in the portfolio and discounted for pension expenses

Cash Flows

Contributions: The Hospital and its affiliates expected contribution to the defined benefit pension plan in fiscal year 2014 is approximately $7 2 million

8. Retirement Benefit Plans (continued)

Estimated future benefit payments: The Hospital and its affiliates expect to pay the following benefit payments as appropriate in thousands

2014	$ 7,529
2015	7,723
2016	8,113
2017	8,582
2018	9,331
2019 to 2024	55,051

9. Professional Liability and Self-Insurance Arrangements

Yale-New Haven Hospital (YNHH) and a number of academic medical centers are shareholders in The Medical Center Insurance Company, Ltd (the Captive) The Captive was formed to insure for professional and comprehensive general liability risks of its shareholders and certain affiliated entities of the shareholders On October 1, 1997, the Hospital was added to the YNHH program as an additional insured The Captive and its wholly-owned subsidiary write direct insurance and reinsurance for varying levels of per claim limit exposure The Captive has reinsurance coverage from outside reinsurers for amounts above the per claim limits Premiums are based on modified claims made coverage and are actuarially determined based on actual experience of the Hospital, and the Captive The Hospital pays insurance premiums to YNHHSC

The estimate for modified claims-made professional liabilities and the estimate for incidents that have been incurred but not reported aggregated approximately $44 8 million and $54 7 million at September 30, 2013 and 2012, respectively The undiscounted estimate for incidents that have been incurred but not reported aggregated approximately $13 6 million and $13 9 million at September 30, 2013 and 2012, respectively, and is included in professional insurance liabilities in the accompanying balance sheets at the actuarially determined present value of approximately $12 1 million and $12 1 million, respectively, based on a discount rate of 2 5% and 3 0% for the years ended September 30, 2013 and 2012, respectively

The Hospital has recorded related insurance recoveries receivable of approximately $32 7 million and $42 5 million at September 30, 2013 and 2012, respectively, in consideration of the expected insurance recoveries for the total discounted modified claims-made insurance The current portion of professional liabilities and the related insurance receivable represents an estimate of expected settlements and insurance recoveries over the next 12 months

9. Professional Liability and Self-Insurance Arrangements (continued)

The Hospital's estimates for professional insurance liabilities are based upon complex actuarial calculations which utilize factors such as historical claims experience for the Hospital and related industry factors, trending models, estimates for the payment patterns of future claims and present value discount factors As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known or when changes are anticipated

10. Commitments and Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital Such lawsuits and claims are either specifically covered by insurance as explained in Note 9 or are deemed to be immaterial While the outcome of these lawsuits cannot be determined at this time, management believes that any loss which may arise from these actions will not have a material adverse effect on the financial position or results of operations of the Hospital

The Hospital has an irrevocable letter of credit with a bank to provide coverage to the State of Connecticut for workers compensation claims There were no amounts outstanding under this letter of credit during fiscal years 2013 and 2012

The Hospital has obtained a surety bond to provide coverage to the State of Connecticut for unemployment compensation in 2013 and 2012 There are no amounts outstanding during fiscal years 2013 and 2012

The Hospital has various lease agreements Lease expense for the fiscal years 2013 and 2012, was approximately $4 7 million and $4 3 million, respectively Future minimum payments under these leases are as follows

2014	$ 4,051
2015	3,134
2016	2,982
2017	2,183
2018	1,411
Thereafter	12,156
	$ 25,917

11. Functional Expenses

The Hospital provides general health care services to residents within its geographic location, including pediatric care, cardiac catheterization and outpatient surgery Net expenses related to providing these services for the year ended September 30 are as follows

	2013	2012
	(In Thousands)	
Health care services	$ 327,387	$ 309,891
General and administrative	81,847	77,473
	$ 409,234	$ 387,364

12. Related-Party Transactions

The Hospital provides management services and purchases support and management services and participates in service contracts, lease agreements and other consulting contracts with affiliated organizations The related amounts for the years ended September 30 were as follows

	2013	2012
	(In Thousands)	
Services to affiliates		
Northeast Medical Group	$ 196	$ 229
Southern Connecticut Health System Properties	15	15
BHHS	13	10
Yale-New Haven Hospital	9,569	4,833
	$ 9,793	$ 5,087
Services from affiliates		
Yale-New Haven Hospital	$ 4,067	$ 3,226
BHHS	20	20
Southern Connecticut Health System Properties	5	5
Northeast Medical Group	17,603	19,890
YNHHSC	57,878	42,995
	$ 79,573	$ 66,136

12. Related Party Transactions (continued)

The Hospital purchased certain services for the year ended September 30 from YNHHSC as follows

	2013	2012
	(In Thousands)	
Operating expenses		
Professional and general liability insurance	$ 292	$ 2,182
Information systems	21,811	15,798
System business office	9,289	7,050
Other business services	26,777	20,147
	$ 58,169	$ 45,177

The Hospital funds certain capital assets purchased by YNHHSC Included in prepaid expenses and other assets were approximately $35 0 million at September 30, 2013, and approximately $18 8 million at September 30, 2012

Included in depreciation and amortization expense for the years ended September 30, 2013 and 2012, is approximately $2 2 million and $1 0 million, respectively, of costs allocated from YNHHSC for shared capital projects

Accounts receivable from and payable to related organizations included in prepaid expenses and other assets, and accrued expenses, respectively, in the accompanying balance sheets for the years ended September 30 are as follows

	2013	2012
	(In Thousands)	
Accounts receivable		
Southern Connecticut Health System Properties	$ 89	$ 55
Bridgeport Hospital Foundation	520	769
Yale-New Haven Hospital	837	1,501
	$ 1,446	$ 2,325
Accounts payable		
BHHS	$ 2,772	$ 2,763
YNHHSC	14,796	14,485
Northeast Medical Group	1,355	2,430
Greenwich Hospital	34	–
	$ 18,957	$ 19,678

13. Other Revenue

Other revenue consisted of the following (in thousands)

	Year Ended September 30 2013	2012
Cafeteria and vending	$ 1,934	$ 1,793
Parking income	1,447	1,409
Net assets released from restrictions for operations	3,282	2,316
Pediatric ancillary services	9,569	5,901
Electronic health records incentive payment	3,587	1,725
Other	3,066	2,931
	$ 22,885	$ 16,075

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH) The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive payment program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period Initial Medicaid incentive payments are available to providers that adopt, implement, or upgrade certified EHR technology In subsequent years, providers must demonstrate meaningful use of such technology to qualify for additional Medicaid incentive payments Hospitals that do not successfully demonstrate meaningful use of EHR technology are subject to payment penalties or downward adjustments to their Medicare payments beginning in federal fiscal year 2015

The Hospital uses a grant accounting model to recognize revenue for the Medicare and Medicaid EHR incentive payments Under this accounting policy, EHR incentive payment revenue is recognized when the Hospital is reasonably assured that the EHR meaningful use criteria for the required period of time were met and that the grant revenue will be received Medicare EHR incentive payment revenue was approximately $2 6 million for the year ended September 30, 2013 and Medicaid EHR incentive payment revenue was approximately $1 0 million and $1 7 million, respectively for the years ended September 30, 2013 and 2012 EHR incentive payment revenue is included in other revenue in the accompanying statement of operations from Income

13. Other Revenue (continued)

incentive payments is subject to retrospective adjustment upon final settlement of the applicable cost report from which payments were calculated Additionally, the Hospital's attestation of compliance with the meaningful use criteria is subject to audit by the federal government

14. Non-Operating Gains and Losses, Net

Non-operating gains and losses consisted of the following (in thousands)

	Year Ended September 30	
	2013	2012
Net realized gains and investment income	$ 1,109	$ 790
Change in unrealized gains and losses on investments	1,035	1,335
Net changes in interest in Bridgeport Hospital Foundation, Inc	1,825	1,838
Loss on refunding and refinancing of debt	–	(1,799)
	$ 3,969	$ 2,164

15. Fair Value Measurements

In determining fair value, the Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs The Hospital also considers nonperformance risk in the overall assessment of fair value

ASC 820-10, *Fair Value Measurements*, establishes a three tier valuation hierarchy for fair value disclosure purposes This hierarchy is based on the transparency of the inputs utilized for the valuation The three levels are defined as follows

- **Level 1:** Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities This established hierarchy assigns the highest priority to Level 1 assets
- **Level 2:** Observable inputs that are based on data not quoted in active markets, but corroborated by market data

15. Fair Value Measurements (continued)

- **Level 3:** Unobservable inputs that are used when little or no market data is available The Level 3 inputs are assigned the lowest priority

Financial assets carried at fair value as of September 30, 2013 and 2012, are classified in the following tables in two of the three categories described above (in thousands)

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 30,127	$ –	$ –	$ 30,127
Money market funds	5,025	–	–	5,025
U S equity securities	4,500	–	–	4,500
International equity securities	3,689	–	–	3,689
Fixed income				
U S government	4,473	–	–	4,473
Corporate debt	419	–	–	419
International government	2,272	1,492	–	3,764
Interest in Yale University endowment pool	–	–	29,368	29,368
Investments at fair value	$ 50,505	$ 1,492	$ 29,368	81,365
Common collective trusts				5,792
Alternative investments				694
Investments not at fair value				6,486
Total investments as of September 30, 2013				$ 87,851

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 15,511	$ –	$ –	$ 15,511
Money market funds	5,458	–	–	5,458
Mutual funds	145	–	–	145
U S equity securities	3,872	–	–	3,872
International equity securities	2,702	–	–	2,702
Fixed income				
U S government	10,623	–	–	10,623
Corporate debt	285	–	–	285
International government	2,344	1,616	–	3,960
Interest in Yale University endowment pool	–	–	24,439	24,439
Investments at fair value	$ 40,940	$ 1,616	$ 24,439	66,995
Common collective trusts				9,325
Alternative investments				4,296
Investments not at fair value				13,621
Total investments as of September 30, 2012				$ 80,616

15. Fair Value Measurements (continued)

The following is a rollforward of assets classified as Level 3 of the valuation hierarchy

Interest in Yale University Endowment Pool	
Fair value at September 30, 2011	$ 11,933
2012 Unrealized gains	9,514
2012 Purchases	2,992
Fair value at September 30, 2012	**24,439**
2013 Unrealized gains	**4,929**
Fair value at September 30, 2013	**$ 29,368**

Fair values of the Hospital's debt are based on current borrowing rates for similar types of debt using undiscounted cash flow analyses The fair value of the long-term debt at September 30, 2013 and 2012, is $57 8 million and $48 0 million, respectively The fair value of long-term debt is classified as Level 2 in the fair value hierarchy as it uses a combination of quoted market prices and valuation based on current market rates

The Hospital's alternative investments and common collective trusts are reported using the equity method of accounting (see Note 1)

16. Subsequent Events

Subsequent events have been evaluated through December 23, 2013 which is the date the financial statements were available to be issued No events, other than those disclosed below, have occurred that require disclosure or adjustment of the financial statements

In November 2013, the Hospital entered into an arrangement with a developer to construct a 120,000 square foot medical office building and adjacent garage in Fairfield County, CT The arrangement contains provisions for the Hospital to begin leasing the property for a 25-year period beginning in April 2016 Management has evaluated the terms of the arrangement and anticipates the project will be recorded as a capital lease Upon completion, management estimates the capital lease obligation will be approximately $102 million

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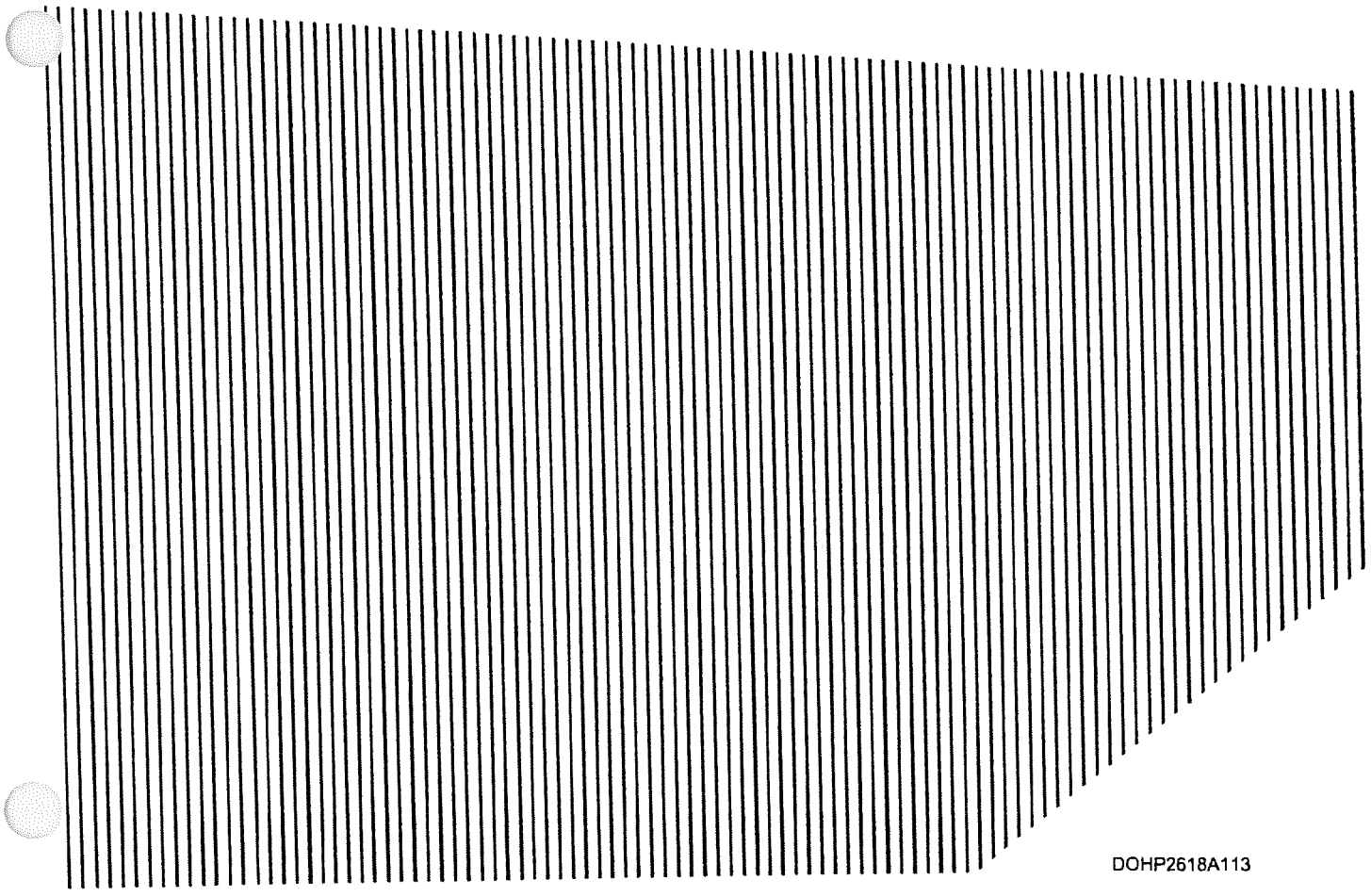

Exhibit 25

25. Please provide a list of all agreements of the existing hospital(s) and/or their affiliated medical providers with third party payors.

Response:

Westerly Hospital

AETNA
ANTHEM BlueCross BlueShield
CIGNA, Inc.
Colonial Cooperative Care
ConnectiCare
First Health
Beacon Hospice
Healthy CT
Home and Hospice of Rhode Island
Mashantucket (Tribal only)
Multiplan, Inc. /Private Healthcare Systems, Inc.
Neighborhood Health Plan of Rhode Island
Northeast Direct Health
PACE Organization of Rhode Island
Rhode Island Blue Cross and Blue Shield
TRICARE
TUFTS Health
United Healthcare
Connecticut Medicaid
Connecticut Workers' Compensation
Mass Health
Medicare
Rhode Island Medicaid
Rhode Island Workers' Compensation
Wellcare

L+M Hospital

Aetna US Healthcare
Aetna Workers' Comp Access Program
American Imaging Management
America's Health Plan
Anthem Blue Cross Blue Shield of CT
Anthem BC – Empire Blue Cross Addendum
Anthem Blue Cross Blue Shield of CT Private Fee for Service
Anthem Blue Cross Blue Shield of CT Medicare Advantage
APRN Department of Psychiatry Contracts

Benecorp
Coastal Connecticut Research LLC
CHLN Operating Agreement
CIGNA
CIGNA Private Fee for Services for Medicare
Comprehensive Rehabilitation Associates
ConnectiCare, Inc.
ConnectiCare Medicare Advantage Plan
ConnectiComp
Connecticut Behavioral Health (provided as part of Connecticut Medicaid program)
Connecticut HealthCare Workers' Compensation Trust Medical Care Plan
Consumer Health Network
Corvel Corporation Workers' Comp
Coventry Health (First Health)
Daly, Lee & Kelley Employee Benefit Plan Administrators
DMAS Dept of Mental Health & Addiction Services, Southeastern Mental Health Authority
EmblemHealth PPO/EPO
Facial Imaging, LLC
First Connecticut Life Insurance
Focus HealthCare Management
Health Care Visions (dba Beechwood)
Health Connecticut
Healthy CT
Health Direct
Health Management Corporation Workers' Comp
Health Net Federal Services (TriCare)
Health Payors Organization
HealthCare VALUE Management, Inc.
HMC PPO, Inc.
Hospice of Southeastern Connecticut
Insurance Programmers, Inc.
International Union of Bricklayers and Allied Craftsmen
Iron Workers' Locals No. 15 and 424 Extended Benefit Fund
Kemper National Services Workers' Comp
Mailhandlers Benefit Plan
MHN (Managed Health Network)
Mathog & Moniello
MedView Services, Inc.
Metropolitan Life Insurance Company
Mohegan Tribe Contract Health
MultiPlan
MultiPlan Network for Workers' Compensation and Auto Medical Programs
Network Synergy, Inc.
Northeast Health Direct, LLC
Options Health
Oxford

Pequot Health Care/Pequot Health Benefit Services
PHCS – Private Healthcare Systems
Phoenix Mutual Life Insurance
Pioneer Health
Plummer and Steamfitters, Local 84
Preferred Medical Choice, Inc.
Prime Health Services – group health
Prime Health Services – workers' comp
Prudential Insurance Company
SmithKline Beecham
Tri State Teamsters Health Benefit Plan
UniCare
United Behavioral Health
United Healthcare
United Healthcare Medicare Advantage
United Healthcare for General Dynamics/Electric Boat
USDOL Workers Comp Program
Value Behavioral Health, Inc.
Value Options
VES Veterans Evaluation Services
Wellcare
Workwell

LMPA PAYER PARTICIATION

Aetna
Anthem BC/ BS
RI BC/ BS (RI locations only)
Anthem Behavioral Health
CHN, PPO
Cigna
ConnectiCare
Coventry
HPHC
HNFS (Tri-Care)
Federal DOL
CT Medicaid
RI Medicaid (RI locations only)
CT Medicare (CT locations only)
RI Medicare (RI locations only)
Medicare (Rail Road)
MHN (Behavorial Health)
MultiPlan/ PHCS
Neighborhood Health (RI locations only-L&M Hospital for OBGYN and Neonat)
Oxford (CT locations only)
CT United Health Care
RI United Health Care
United Behavorial Heatlh
Value Options

ASSECT PAYER PARTICIPATION

Aetna
Anthem BC/ BS
Cigna
ConnectiCare
Coventry
HPHC
HNFS (Tri-Care)
Medicaid
Medicare
Medicare (Rail Road)
MultiPlan/ PHCS
CHN, PPO
Oxford
United Health Care

AGREEMENTS:

YALE-NEW HAVEN HOSPITAL

Aetna Health Inc. . – "The Boutique" – For Durable Medical Equipment

Aetna Health Inc. – For Commercial Health Plans

Aetna Health Inc. – For Medicare Advantage Plans

Aetna Health Inc. – For Transplant Services rendered to Aetna Commercial and Medicare Advantage Plans

Align Networks, Inc., A Division of One Call Care Management – Workers Compensation

Anthem Health Plans, Inc. – "The Boutique" – For Durable Medical Equipment

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products

Anthem Health Plans, Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Connecticut Exchange Plans

Anthem Health Plans, Inc. – Centers of Medical Excellence Transplant Services Agreement – For Transplant Services rendered to Anthem Blue Cross Blue Shield and Anthem Affiliates (WellPoint, Inc.) Commercial, Connecticut Exchange, and Medicare Advantage Plans

Anthem Insurance Companies d/b/a Anthem Blue Cross Blue Shield and Blue Cross and Blue Shield Association – Blue Distinction Centers for Transplant Hospital Agreement - For Transplant Services rendered to Blue Cross Blue Shield Commercial, Connecticut Exchange, and Medicare Advantage Plans

Behavioral Health Partnership – For Behavioral Health Services Rendered to Connecticut Medicaid Recipients

CCN – PPO

Consumer Health Network Plus, LLC – PPO and Workers Compensation

Cigna Behavioral Health, Inc. – For Behavioral Health Services

Cigna HealthCare of Connecticut, Inc. (CIGNA) – "The Boutique" – For Durable Medical Equipment

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

Cigna Health Corporation (Cigna) Cigna LifeSOURCE Transplant Network – For Transplant Services rendered to Cigna Plan members and Cigna Affiliates

ConnectiCare, Inc. – "The Boutique" – For Durable Medical Equipment

ConnectiCare, Inc. – For Commercial Health Plans

ConnectiCare, Inc. – For Connecticut Exchange Plans

ConnectiCare, Inc. – For Medicare Advantage Plans

Connecticut Department of Mental Health and Addiction Services – To provide Electroconvulsive Therapy (ECT) services to inpatients of the Connecticut Mental Health Center as ordered by the Connecticut Mental Health Center Inpatient Unit Chief or the Unit Chief's Designee Physician

Connecticut Department of Mental Health and Addiction Services General Assistance Behavioral Health Program Provider Agreement – For Behavioral Health Services to eligible recipients of State Administered General Assistance or General Assistance pursuant to CT Gen. Stat. 17a-453a

Corvel Healthcare Corporation (CorVel) – PPO and Workers Compensation

Coventry Health Care National Network, Inc. – PPO and Workers Compensation

FirstChoice Health Plans of Connecticut, Inc. / Preferred One (First Choice) – For Medicare Advantage Plans

FairPay Solutions, Inc. – Workers Compensation

FirstHealth Group Corporation – For recipients covered under the First Health Network Preferred Provider Organization (PPO) Plans

Great WestHealthcare, Inc. – For recipients covered under the Great WestHealthcare, Inc. Network PPO Plans

Great West Open Access –

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

HCVM. – PPO

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – For Connecticut Exchange Plans

Interlink Health Services, Inc. – Transplant Services Agreement to provide Transplant Services to Interlink Clients

Magellan Behavioral Health, Inc. – For Behavioral Health Services

MagnaCare Administrative Services, LLC (MagnaCare) – For recipients covered under the MagnaCare PPO Plans

Managed Health Network, Inc. (MHN, Inc.) – For Behavioral Health Services

MCMC LLC – Workers Compensation

Medical Excess LLC, a member of American International Group (AIG) – Transplant Services Agreement to provide Transplant Services to Medical Excess Clients

MultiPlan, Inc. – For Payers who are MultiPlan Clients and can access MultiPlan's PHCS Network (Primary PPO) and MulitPlan Network (Complementary Network)

NEHCA – (HMC, HMC-NEHE and Healthchoice) – PPO

NaphCare – To provide health care to inmates at the Federal Correctional Institution Danbury, Connecticut

North Shore – LIJ CareConnect Insurance Company, Inc. (NSLIJ CareConnect) – To provide health care services to NSLIJ CareConnect members

OptumHealth Care Solutions, Inc. – To provide Transplant Services to ConnectiCare, Oxford, and UnitedHealth Care members, plus Optum Affiliates

Oxford Health Plan, Inc. – "The Boutique" – For Durable Medical Equipment

Oxford Health Plans, Inc. – For Commercial Plans

Oxford Health Plans, Inc. – For Medicare Advantage Plans

POMCO, Inc. (POMCO) – For recipients covered under POMCO Plans

Prime Health Services, Inc. Network (PHS Network) – Workers Compensation

Private HealthCare System (PHCS) – PPO

Procura Management, Inc. – Workers Compensation

Puerto Rico Catastrophic Disease Fund – To provide Adult and Pediatric Liver Transplant services to qualified recipients of the Puerto Rico Catastrophic Disease Fund

Senior Whole Health (SWH) – To provide health care to SWH members

Seven Corners, Inc. – To provide health care to inmates at the Federal Correctional Institution Danbury, Connecticut

Solidarity Fund of Georgia – To provide Pediatric Bone Marrow Transplant services to qualified recipients of the Solidarity Fund, International Georgia

SunMed International, LLC – To provide Adult and Pediatric Liver Transplant services to qualified recipients of SunMed International

Three Rivers Provider Network, Inc. (TRPN) – To provide health care services to TRPN clients (insurance companies, third party administrators, health plans, and individuals)

United Behavioral Health, Inc. – Behavioral Health Network Facility Participation Agreement for Behavioral Health Services

United Behavioral Health, Inc. – Behavioral Health Network Clinic/Group Participation Agreement for Behavioral Health Services

UnitedHealthcare of New England, Inc. – "The Boutique" – For Durable Medical Equipment

UnitedHealthcare of New England, Inc. – For Commercial Products Only; Currently Non-Par w/Medicare Advantage

ValueOptions, Inc. – For Behavioral Health Services

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

Workers' Compensation Trust – Workers Compensation

WorkWell, Inc. – Workers Compensation

Yale Health Plan – Inpatient, Outpatient, and Transplant Services to Members of the Yale Health Plan

BRIDGEPORT HOSPITAL

Aetna Health Inc. – For Commercial Health Plans

Aetna Health Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products

Anthem Health Plans, Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Connecticut Exchange Plans

Behavioral Health Partnership – For Behavioral Health Services Rendered to Connecticut Medicaid Recipients

Cigna Behavioral Health, Inc. – For Behavioral Health Services

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

Community Care Network. – PPO

ConnectiCare, Inc. – For Commercial Health Plans

ConnectiCare, Inc. – For Connecticut Exchange Plans

ConnectiCare, Inc. – For Medicare Advantage Plans

Corvel Healthcare Corporation (CorVel) – Workers Compensation

Coventry Health Care National Network, Inc. – PPO and Workers Compensation

FairPay Solutions, Inc. – Workers Compensation

FirstChoice Health Plans of Connecticut, Inc. / Preferred One (First Choice) – For Medicare Advantage Plans

FirstHealth Group Corporation – For recipients covered under the First Health Network PPO Plans

Great WestHealthcare, Inc. – For recipients covered under the Great WestHealthcare, Inc. Network PPO Plans

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

Health Care Value Management. – PPO

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – For Connecticut Exchange Plans

Magellan Behavioral Health, Inc. – For Behavioral Health Services

MagnaCare Administrative Services, LLC (MagnaCare) – For recipients covered under the MagnaCare PPO Plans

Managed Health Network, Inc. (MHN, Inc.) – For Behavioral Health Services

MCMC – Workers Compensation

MultiPlan, Inc. – For Payers who are MultiPlan Clients and can access MultiPlan's PHCS Network (Primary PPO) and MulitPlan Network (Complementary Network)

National Preferred Provider Network (NPPN) – PPO

Northeast Health Direct – PPO

One Call Care Diagnostics – Individual and Group Health Plans, plus Workers' Compensation

Oxford Health Plans, Inc. – For Commercial Plans

Prime Health Services, Inc. Network (PHS Network) – Workers Compensation

Private HealthCare System (PHCS) – PPO

Three Rivers Provider Network, Inc. (TRPN) – To provide health care services to TRPN clients (insurance companies, third party administrators, health plans, and individuals)

United Behavioral Health, Inc. – Behavioral Health Network Facility Participation Agreement for Behavioral Health Services

United Behavioral Health, Inc. – Behavioral Health Network Clinic/Group Participation Agreement for Behavioral Health Services

UnitedHealthcare of New England, Inc. – For Commercial and Medicare Advantage Products

ValueOptions, Inc. – For Behavioral Health Services

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

WorkWell, Inc. – Workers Compensation

GREENWICH HOSPITAL

Aetna Health Inc. – For Commercial Health Plans

Aetna Health Inc. – For Medicare Advantage Plans

America's Health Plan, Inc. (AHP) – To provide health care to members of AHP

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products

Anthem Health Plans, Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Connecticut Exchange Plans

Atlantis Health Plan – To provide health care to members of Atlantis Health Plan

Beech Street Corporation – To provide health care to members of Beech Street PPO Network

Behavioral Health Partnership – For Behavioral Health Services Rendered to Connecticut Medicaid Recipients

CCN – PPO

Cigna Behavioral Health, Inc. – For Behavioral Health Services

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

ConnectiCare, Inc. – For Commercial Health Plans

ConnectiCare, Inc. – For Connecticut Exchange Plans

ConnectiCare, Inc. – For Medicare Advantage Plans

Corvel Healthcare Corporation (CorVel) – Workers Compensation

Coventry Health Care National Network, Inc. – PPO and Workers Compensation

Connecticut Department of Mental Health and Addiction Services General Assistance Behavioral Health Program Provider Agreement – For Behavioral Health Services to eligible recipients of State Administered General Assistance or General Assistance pursuant to CT Gen. Stat. 17a-453a

Empire HealthChoice HMO, Inc. and Empire HealthChoice Assurance, Inc. (Empire Blue Cross Blue Shield) – For Commercial Plans

Empire HealthChoice HMO, Inc. and Empire HealthChoice Assurance, Inc. (Empire Blue Cross Blue Shield) – For Medicare Advantage Plans

Empire HealthChoice HMO, Inc. and Empire HealthChoice Assurance, Inc. (Empire Blue Cross Blue Shield) – For New York Exchange Plans

FairPay Solutions, Inc. – Workers Compensation

FirstHealth Group Corporation – For recipients covered under the First Health Network PPO Plans

Great WestHealthcare, Inc. – For recipients covered under the Great WestHealthcare, Inc. Network PPO Plans

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

HCVM – PPO

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – For Connecticut Exchange Plans

HIP/GHI –

Magellan Behavioral Health, Inc. – For Behavioral Health Services

MagnaCare Administrative Services, LLC (MagnaCare) – For recipients covered under the MagnaCare PPO Plans

Managed Health Network, Inc. (MHN, Inc.) – For Behavioral Health Services

MCMC – Workers Compensation

MultiPlan, Inc. – For Payers who are MultiPlan Clients and can access MultiPlan's PHCS Network (Primary PPO) and MulitPlan Network (Complementary Network)

Oxford Health Plans, Inc. – For Commercial Plans

POMCO, Inc. (POMCO) – For recipients covered under POMCO Plans

Prime Health Services, Inc. Network (PHS Network) – Workers Compensation

Private HealthCare System (PHCS) – PPO

Three Rivers Provider Network, Inc. (TRPN) – To provide health care services to TRPN clients (insurance companies, third party administrators, health plans, and individuals)

United Behavioral Health, Inc. – Behavioral Health Network Facility Participation Agreement for Behavioral Health Services

United Behavioral Health, Inc. – Behavioral Health Network Clinic/Group Participation Agreement for Behavioral Health Services

UnitedHealthcare of New England, Inc. – For Commercial and Medicare Advantage Products

ValueOptions, Inc. – For Behavioral Health Services

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

WorkWell, Inc. – Workers Compensation

GRIMES Center/YNHCC

Aetna Health Inc. – Skilled Nursing and Rehabilitation Services for Commercial and Medicare Advantage Products

Anthem Health Plans, Inc. – Skilled Nursing and Rehabilitation Services for Commercial and Medicare Advantage Products

Cigna HealthCare of Connecticut, Inc. (CIGNA) – Skilled Nursing and Rehabilitation Services for Commercial Products

ConnectiCare, Inc. – Skilled Nursing and Rehabilitation Services for Commercial and Medicare Advantage Products

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – Skilled Nursing and Rehabilitation Services for Connecticut Exchange Plans

UnitedHealthcare of New England, Inc. – Skilled Nursing and Rehabilitation Services for Commercial and Medicare Advantage Products

WellCare of Connecticut, Inc. – Skilled Nursing and Rehabilitation Services for Medicare Advantage Products

NORTHEAST MEDICAL GROUP

Aetna Health Inc. – For Commercial Health and Medicare Advantage Plans

Affinity – New York Managed Medicaid Plans

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products, and Medicare Advantage Plans

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

ConnectiCare, Inc. – For Commercial, Exchange, and Medicare Advantage Plans

Coventry Health Care National Network, Inc. . –

Emblem/GHI/HIP –

Empire HealthChoice HMO, Inc. and Empire HealthChoice Assurance, Inc. (Empire Blue Cross Blue Shield) . –

Fidelis – New York Managed Medicaid Plans

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – For Connecticut Exchange Plans

Hudson – New York Managed Medicaid Plans

Managed Health Network, Inc. (MHN, Inc.) – For Behavioral Health Services

MultiPlan, Inc. – For Payers who are MultiPlan Clients and can access MultiPlan's PHCS Network (Primary PPO) and MulitPlan Network (Complementary Network)

Oxford Health Plans, Inc. . –

Prime Health Services – For Workers Compensation

Three Rivers Provider Network, Inc. . –

United Behavioral Health, Inc. – For Behavioral Health

UnitedHealthcare of New England, Inc. – Commercial and Medicare Advantage Plans

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

NOTHEAST MEDICAL GROUP GASTROENTEROLOGY, LLC

Aetna Health Inc. – For Commercial Health and Medicare Advantage Plans

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products, and Medicare Advantage Plans

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

ConnectiCare, Inc. – For Commercial, Exchange, and Medicare Advantage Plans

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

Health Net Federal Services, LLC – For TriCare and Champus Plans

Oxford Health Plans, Inc. . –

UnitedHealthcare of New England, Inc. – Commercial and Medicare Advantage Products

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

SHORELINE I and II Ambulatory Surgery

Aetna Health Inc. – For Commercial Health Plans

Aetna Health Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products

Anthem Health Plans, Inc. – For Medicare Advantage Plans

Anthem Health Plans, Inc. – For Connecticut Exchange Plans

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

ConnectiCare, Inc. – For Commercial Health Plans

ConnectiCare, Inc. – For Connecticut Exchange Plans

ConnectiCare, Inc. – For Medicare Advantage Plans

Corvel Healthcare Corporation (CorVel) – PPO and Workers Compensation

Coventry Health Care National Network, Inc. – PPO and Workers Compensation

Empire HealthChoice HMO, Inc. and Empire HealthChoice Assurance, Inc. (Empire Blue Cross Blue Shield) . –

Harvard Pilgrim Health Care, Inc. – For Commercial Health Plans

Health Net Federal Services, LLC – For TriCare and Champus Plans

HealthyCT – For Connecticut Exchange Plans

MCMC LLC – Workers Compensation

MultiPlan, Inc. – For Payers who are MultiPlan Clients and can access MultiPlan's PHCS Network (Primary PPO) and MulitPlan Network (Complementary Network)

Oxford Health Plans, Inc. – For Commercial Health Plans

Prime Health Services, Inc. Network (PHS Network) – Workers Compensation

Three Rivers Provider Network, Inc. (TRPN) – To provide health care services to TRPN clients (insurance companies, third party administrators, health plans, and individuals)

UnitedHealthcare of New England, Inc. –

Yale Health Plan – Inpatient, Outpatient, and Transplant Services to Members of the Yale Health Plan

PriMed, LLC

Aetna Health Inc. – For Commercial Health and Medicare Advantage Plans

Anthem Health Plans, Inc. – For Commercial Health Plans, plus Medicare Supplemental and Medigap Products, and Medicare Advantage Plans

Cigna HealthCare of Connecticut, Inc. (CIGNA) – For Commercial Health Plans

ConnectiCare, Inc. – For Commercial, Exchange, and Medicare Advantage Plans

Oxford Health Plans, Inc. . –

UnitedHealthcare of New England, Inc. – Commercial and Medicare Advantage Products

WellCare of Connecticut, Inc. – For Medicare Advantage Plans

MISC

Connecticut Hospital Laboratory Network LLC – Operating Agreement for Capitated Lab Services (ConnectiCare and United Healthcare)